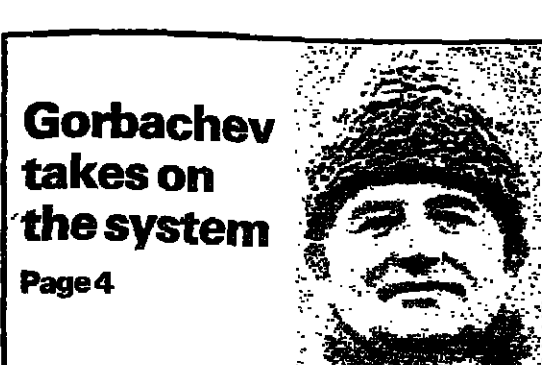
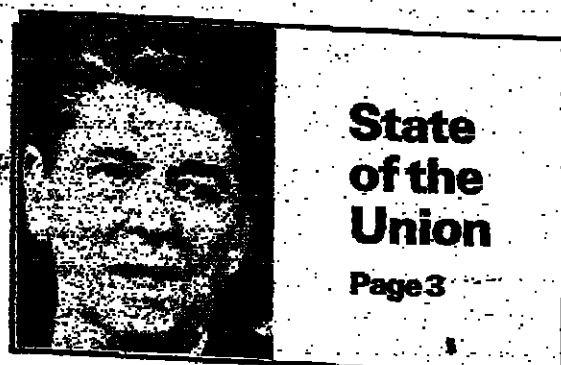


THE JERUSALEM POST

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No threat seen to government Labour, Likud squabble over peace process

By ASHER WALLFISH
Post Knesset Correspondent

The war of words between the Alignment and the Likud heated up yesterday, but their continued partnership in the national unity government did not seem to be threatened seriously.

The Alignment Knesset faction convened as Vice Premier Shimon Peres returned from his controversial swing through Western Europe, and accused the Likud of maligning their leader in order to sabotage the peace process.

The Alignment also charged that the squabbling group inside the *torat* Herut party were trying to outdo each other, slinging mud at Peres in order to prove they were more effective than their rivals.

After two hours of debate, the Alignment resolved to strengthen Peres's hand in his efforts to expedite peace, and warned the Likud that if it wanted to launch an election campaign the Alignment was ready. Calls for the breakup of the coalition came from a small minority.

On his return yesterday afternoon to Israel, Peres told reporters at Ben-Gurion Airport that during his tour he had presented only the government's views as approved by the Knesset and by the past governments.

He asserted that an international peace conference on Middle East peace, which he supports, would not come in place of direct negotiations between Israel and its neighbours and the conference would not have the power to impose terms of a settlement on the countries concerned.

Referring to Likud criticisms of his statements on the international conference, Peres said that "apparently they are seeking to create a crisis."

In the discussion, the following points, were made:

Abba Eban: It would be far better for Israel to rely solely on direct talks with its Arab neighbours, but unfortunately the history of nations is not determined by logic.

Shimon Peres: Likud MK Michael Eitan is trying to perform in the Knesset, the way the comedian Seffi Rivlin performed in the Likud TV propaganda broadcasts, before the 1984 elections.

Absorption Minister Ya'acov Tsur: The Alignment is forced to defer to the Likud and not define its policy in Judea and Samaria. So we have to appoint Arab mayors to West Bank towns surreptitiously, and finance projects there without saying so openly.

The Likud doesn't want Israel to have Jewish farmers, it seems, just as

(Continued on Back Page)



Vice Premier Peres checks the time shortly after arriving at B-G Airport yesterday - a gesture that caught the attention of waiting photographers because of the controversy surrounding Peres's watch. (Ippa)

Washington worried about threat to Basra

U.S. warships move into Gulf as Iran warns of 'final push'

By WOLF BLITZER and
Post Middle East Staff

WASHINGTON. - The United States has moved five warships into the northern Gulf to support friendly Arab states as fears of Iranian gains in its war with Iraq intensify. U.S. administration officials said yesterday.

The moves came as top Iranian leader Ali Akbar Hashemi Rafsanjani hinted yesterday that a final offensive to end the war with Iraq was imminent.

U.S. officials are known to be deeply worried over the Iranian threat to capture Iraq's second-largest city of Basra in the southern war zone, where fighting has been raging for days.

But Iraqi officials recently assured foreign diplomatic sources that Basra was not about to crumble. Iraq last night reported "horrifying" ground attacks on Iranian troops holding some of its territory east of Basra.

U.S. administration officials said warship movements, and the dispatch of an aircraft carrier closer to

Lebanon, are designed to show Iran and anti-American groups in Lebanon that Washington is ready to protect its interests in the Gulf and the Mediterranean.

"We are simply concerned over rising tension in general in that area, and want to...make sure that we are prepared if our strategic interests are threatened, and to show support for our friends in the region," a senior White House official told reporters

yesterday at a national security briefing. He described the ship movements in the Gulf as "precautionary measures."

Iraqi jets attacked at least seven Iranian cities, an oil export terminal and two supertankers yesterday as Rafsanjani hinted that a new Iranian ground offensive was imminent in the six-year-old Iran-Iraq war.

Rafsanjani, speaker of the Iranian Parliament, was asked at a news conference in Teheran if preparations for Iran's long-awaited "final blow" had been completed and if Iranian envoys to Turkey and Saudi Arabia this week had carried messages to that effect.

"This guess is not far off from reality," he replied. "The trips, too, are connected to this subject. Of course we will make the details public later."

Secretary of State George Shultz told the U.S. Congress yesterday that Washington remained strongly committed to supporting the individual and collective self-defence of friendly Arab nations in the area.

"We have done some things with

(Continued on page 3)

Herut politicians step up attack on Balas link

By SARAH HONIG
MENACHEM SHALEV
GILGA GAZIT

Jerusalem Post Reporters

Herut politicians yesterday stepped up their campaign focusing on alleged contributions by financier David Balas to Labour and Ezer Weizman's Yehad Party in the last elections.

In the Knesset, MKs debated well into the night on a motion by Herut's Michael Eitan on the affair; and then referred it to the committee.

On his return from Europe yesterday, Foreign Minister Shimon Peres said that his party had reported all election contributions to the State Comptroller. He confirmed that he had received a wristwatch from Balas as a birthday present in August 1984. He added that he saw no crime in that and had nothing to hide.

Herut politicians have complained to the police about the watch and the alleged Balas party contributions. The police said yesterday they would investigate the complaints and whether any criminal offence was involved.

Balas is now on trial on charges of having defrauded the United Kibbutz Movement of \$29 million.

Attorney-General Yosef Harish met yesterday with Police Inspector General David Kraus and the head of the Criminal Investigations Division, Nitzan Yigal Kraus to discuss the Herut complaints.

A well-placed source told *The Jerusalem Post* that the complaints were "very thin." He said their origin "is as clear as their purpose."

Harish acknowledged that Balas's attorneys told him last October of the financier's allegations regarding contributions to the Labour Party. Harish said that he and State Attorney Yona Blattman then told attorney Yaakov Weinroth that he should present any relevant materials to the court which is trying Balas.

The matter of the watch and the

(Continued on Page 2, Col. 1)

Treasury warns of crisis facing agriculture

Budget needs revision to save settlements

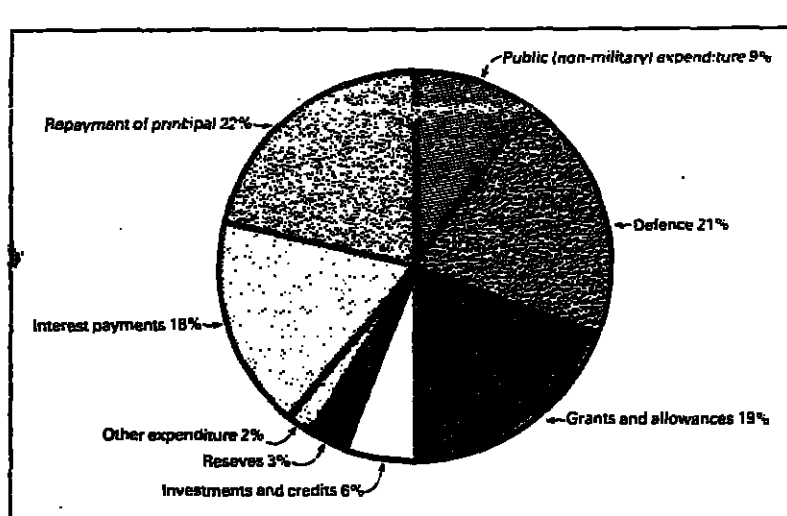
By AVI TEMKIN
Post Economic Reporter

Israel's agricultural settlements are in the throes of an unprecedented crisis and hundreds of millions of dollars are needed to save them, Treasury Budget Director Aaron Fogel said yesterday. He added that the defence industries are similarly threatened and that they too require government help.

To effect these rescue operations the government budget approved by the cabinet on January 13 will have to be cut in other sectors in order to mobilize the needed sums.

Finance Minister Moshe Nissim is expected to table in the Knesset today the NIS 39.3 billion state budget for the coming fiscal year, which starts on April 1, as approved by the cabinet. But from the remarks made by Fogel it is clear that the Treasury is already planning to renew its demands for a cut in the defence budget.

"There is no planned allocation



for huge sums needed to bail out settlements and the defence industries," Fogel said. He added that the Treasury will have to cut other items to get the required funds. "This

means that we will return to the issue of the defence budget sooner or later."

Fogel said the crisis in the defence industries could be triggered if the

Lavi project is halted, with the resultant loss of business to subcontractors, or as the result of "other reasons" which he declined to specify. Observers interpreted this remark as referring to the losses to the defence industries if the military links with South Africa are cut or reduced.

The Treasury failed in its attempt to convince the cabinet to slash NIS 150m. from the Defence budget in the coming fiscal year. Fogel said the Defence Ministry will have to finance the Lavi project out of its own funds.

The budget, which will be tabled by Nissim, envisages a reduction in personal income taxes, corporate taxes and employers' taxes. Due to the reduction in income tax, revenue from this tax will fall by some NIS 675m. Budget figures indicate that some NIS 200m. of the lost revenue will go into the pockets of the country's top executives. The budget

SLA man killed

Six Irish Unifil men hurt in blast

By DAVID RUDGE
Jerusalem Post Reporter

ROSH HANIKRA. - A South Lebanese soldier was killed and another badly wounded, while six Irish Unifil soldiers were injured in two separate incidents during the last 24 hours.

A South Lebanese Army soldier was killed and another wounded when their car was ambushed in the village of El Hi'yan on Tuesday at midnight, SLA sources reported yesterday.

The attack was apparently an attempt on the life of a senior SLA officer, who owns the car, but was not in the vehicle at the time.

The wounded soldier, suffering from serious leg injuries, was rushed to hospital in Marjayoun where a South Lebanese doctor performed a complex operation to save the man's life.

The surgery, lasting six hours, involved an artery transplant never carried out before at the hospital.

The wounded soldier would normally have been transferred to a hospital in Israel for this kind of surgery. But the SLA sources said this was prevented by the seriousness of the injury and the weak condition of the patient.

A search of the ambush area failed to reveal any trace of the attackers or their identity, the sources added.

The Irish soldiers were wounded when a bomb blast ripped through

(Continued on Back Page)



Australian Prime Minister Bob Hawke points to the inscription on the headstone of Trooper C.G. Gear in the Commonwealth War Graves Cemetery on Mt. Scopus. He said he would investigate whether the Aussie soldier who had fallen in World War I was a relation of a political colleague of his, George Gear. See story page 2 (Dan Landau)

'U.S. diverted money from Iran arms sales to Mossad'

WASHINGTON. - Some of the money diverted from the U.S. arms sales to Iran went to the Mossad, Israel's external intelligence service, syndicated columnist Jack Anderson reported yesterday in *The Washington Post*.

The report, which could not be confirmed, said that "during the secret discussions with the Israelis over the arms sale, it was understood by all concerned that some of the profits would go to the Mossad for its under-

cover operations in Europe and the Middle East."

Another part of the intelligence "take," Anderson said, was to be shared with the Central Intelligence Agency.

The diversion of funds to the Mossad was supposedly approved by CIA Director William Casey, who is still in a Washington hospital recuperating from a cancerous brain tumor operation.

Mubarak, Assad deny meeting

KUWAIT (AP). - Egypt's President Hosni Mubarak and Syria's President Hafez al-Assad met yesterday for a 20-minute parley, Arab diplomats said. But both sides later denied the meeting took place.

The reports of a meeting followed the leaders' entry, hand-in-hand, into the Islamic summit session Tuesday evening. A meeting would reflect a further thawing in Egyptian-Syrian relations, ruptured following Egypt's signing of the Camp David accords with Israel in 1978.

Arab diplomats reported that the two leaders were brought together after midnight by King Fahd of Saudi Arabia and the emir of Kuwait, Sheikh Jaber al-Sabah, two leading moderates who are seeking to unite the fragmented Arab world.

Indicating the sensitivity of the issue, the Syrians later denied Assad met Mubarak. They said in a statement: "There is no truth whatever to the report that a meeting took place last night between President Hafez Assad and the head of the Egyptian regime, Hosni Mubarak."

Syria on the brink of crisis

A scholarly analysis of developments in Syria made available to this reporter portrays a weak, divided, isolated and economically shaky country ruled by an ailing president whose iron grip is beginning to slip.

The study, which projects developments in Syria in 1987, predicts growing and sometimes violent internal unrest, coupled with instability in the upper echelons of the political hierarchy. It rates the probability of war between Israel and Syria as "very low" during 1987.

The study, which examines military, social, economic and political trends in Syria, concludes that:

- The Syrian armed forces seem incapable of absorbing the huge quantities of equipment that have been injected into the Syrian order of battle since President Hafez Assad launched his quest for strategic parity with Israel in 1982.
- Some weapons systems known to have been in the pipeline to the Syrian armed forces seem to have been delayed or cancelled. For example, Iraq has already received Mig-29 aircraft, while Syria, long regarded as first in line among Soviet allies in the Middle East for the advanced fighter, has not.
- Syrian foreign currency reserves average about \$100 million, a low

figure that would cause concern to a large corporation, let alone a country of some 10 million people.

- Internal budgetary problems have necessitated major cuts in current Syrian defence spending.
- Syria's continuing military involvement in Lebanon has considerably worsened both the operational status and training levels of the Syrian armed forces. Syria's shifting alliances with various Lebanese factions and the apparently endless fighting in Lebanon have led to demoralization among the senior ranks of the Syrian army.
- Internal unrest in Syria is on the rise. This is due to economic pressures that have become extremely grave in recent months, and to an increase in the number of violent acts - many believed to be Iraqi-sponsored - against the regime.
- Assad's health continues to be a problem. Though reports of his ill

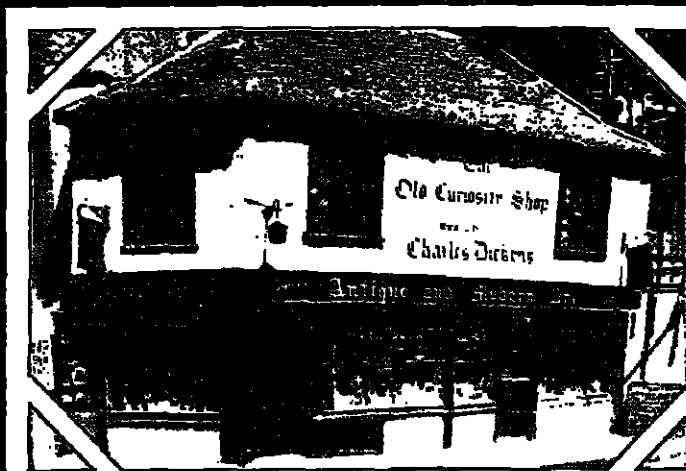
health have been circulating for a decade, they have recently been given new credibility. People who have seen Assad recently have reported that he is palsy-faced and veined and that he no longer works 14 hours a day.

The intrigues around Assad are becoming more blatant as his potential successors jockey for position. At the same time, some of his close advisers, apparently anticipating a bloody battle and not wanting to be caught in the cross-fire, have resigned. The ranks of Assad's advisers and supporters in the military were further depleted when Assad was forced to fire (and some reports say jail) the former head of Syrian Air Force intelligence, responsible for all Syrian covert operations, and some of his top aides, following the Nezar Hindawi fiasco in London last year.

The study predicts no major change that would take Syria out of its current international isolation, or give Assad the ability to block the continued ascendancy of pro-Western countries in the Arab world. If Iran continues to make gains in the Gulf War, the Gulf nations are expected to strengthen their ties with Egypt and Jordan, in

(Continued on page 7)

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CHICAGO	-19	-2	Cloudy
COPENHAGEN	-5	2	Cloudy
FRANKFURT	-1	3	Cloudy
GENEVA	-1	3	Cloudy
HELSINKI	-1	3	Cloudy
HONG KONG	15	25	Cloudy
JOHANNESBURG	18	28	Cloudy
LONDON	-1	3	Cloudy
MADRID	-1	3	Cloudy
MONTREAL	-1	3	Cloudy
NEW YORK	-1	3	Cloudy
PARIS	-1	3	Cloudy
RIO DE JANEIRO	21	31	Cloudy
SAO PAULO	22	32	Cloudy
STOCKHOLM	-1	3	Cloudy
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ZURICH	-1	3	Cloudy

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THE WEATHER

Forecast: Clear with slight rise in temperatures.

	Yesterday's	Today's	Max
	Humidity	Min-Max	
Jerusalem	72	4-12	14
Golan	67	3-11	13
Nahariya	61	3-9	12
Salaf	62	3-9	12
Haifa Port	72	7-16	19
Tiberias	70	7-16	18
Nazareth	77	4-17	18
Afula	77	4-17	18
Shomron	57	3-14	15
Tel Aviv	62	7-15	18
B-G Airport	56	5-15	17
Jericho	42	6-20	21
Gaza	40	6-16	17
Beersheba	39	6-16	18
Eilat	25	6-21	22

SOCIAL & PERSONAL

Yitzhak Gattegno will speak at the Rotary Club meeting at the Tel Aviv Hilton Hotel at 1:15 p.m. today.

The Japanese ambassador, Koichi Iatsumi, yesterday greeted the opening of an international workshop on "Japanese Models of Conflict Resolution," at the Hebrew University.

Mr. and Mrs. Sam Marks of Bournemouth, England, for groundbreaking of new Eumunah Daycare Centre in Haifa.

ARRIVALS

The president of the Congress of Honduras, Carlos Montoya, at the head of a group of parliamentarians, for a week-long visit as guests of the Knesset.

New phone code - 06

Some 150,000 telephone subscribers in the North will, starting today, be included in a new area code - 06. It will replace 063 in Hadera, 065 in Afula, 067 in Tiberias and 069 in Safad.

Bezek has decided to add the last digit of the old code to the front of the existing five-digit numbers in each area.

BALAS

(Continued from Page One)

alleged financial dealings with Ezer Weizman's "Yahad" party were not raised at that meeting.

Meanwhile it was revealed in Tel Aviv that Eitan will soon be visiting Balas in jail, armed with a lie-detector to test the truth of his charges against the Labour party.

Eitan told *The Post* last night that he had approached Police Minister Haim Bar-Lev with a proposal that he visit Balas with a polygraph crew. Bar-Lev agreed, he said, and the visit now need only be arranged with the prison authorities.

Balas has charged that he was pressured by the kibbutz movement and Histadrut enterprises into passing on funds, which they gave him, to the Labour Party, as if they were his own personal contributions. Neither the kibbutzim nor the Histadrut concerns are permitted to make campaign contributions.

Eitan yesterday exhibited documents and cancelled cheques which he maintains show that as much as \$800,000 were passed from Balas to Rafi Unger of Weizman's Yahad Party. He maintains that Balas had undertaken to cover Yahad's campaign debts to enable political cooperation between Yahad and Labour after the 1984 elections.

HOME AND FOREIGN NEWS

Hawke calls for Israeli, PLO mutual recognition

By JOEL GREENBERG and GREER FAY CASHMAN and Agencies

Australian Prime Minister Bob Hawke yesterday called on Israel and the Palestinian Liberation Organization to announce "reciprocal recognition" and launch peace talks to end the Arab-Israeli conflict.

"I think that, in fact, the PLO exists and that it is here to stay," Hawke told reporters at a news conference. "And I believe Israel understands that the PLO is the only organization that can speak" for the Palestinian people.

"What we cannot seem to get from both sides is a statement which puts into words what they already actually believe," said Hawke. The Jewish state has "an obligation to deal with the PLO if it recognizes Israel."

Hawke said his government "supports the Palestinians right to self-determination, including, if they so choose, a state of their own," in the territories Israel has occupied since the 1967 war.

He said that based on talks with Jordan's King Hussein in Amman before he left in Israel Monday "the most likely (solution) seems to be a confederation" between Jordan and the Palestinians.

Hawke also had the impression that there is in Israel "a growing realization that the country's position in the Middle East has changed. Whereas in the early 1970s, the Arab world presented a more or less uniformly belligerent front and Israel was justified in believing that its neighbours sought the country's destruction, the situation in 1987 was that 'the world,' including the Arabs, understand that Israel is here to stay."

Hawke said that he was aware of "oppression" in the "occupied territories" and promised that if Australia was approached by Palestinians and given details about individual cases, Canberra would in turn approach Israel, to hear what Israel has to say about them.

He said that he opposed the establishment of the new Jewish settlements in the territories.

In a meeting yesterday with Palestinians from the territories,

Hawke endorsed PLO involvement in a resolution of the Palestinian problem, but stood firm on ensuring Israel's existence and security, participants said. Hawke also promised Australian assistance on human rights issues in the territories.

The meeting at the American Colony Hotel in East Jerusalem was attended by Bethlehem mayor Elias Freij, Bir Zeit University professor Sari Nusseibeh, human rights lawyer Jonathan Kuttab and Gaza doctor Hatem Abu Ghazaleh. All are considered moderates.

Freij said the group thanked Hawke for his statement Tuesday in support of Palestinian self-determination, including establishment of an independent state. "We told him that there will not be a parallel leadership in the West Bank; that the PLO is our sole and legitimate representative," Freij said.

Hawke expressed readiness to make efforts to "reach some kind of accommodation between Palestinian rights and Israel's security needs," Kuttab said.

Kuttab said Hawke had expressed interest in human rights problems in the territories, specifically measures against trade unions and rejection of family reunification requests.

Hawke "expressed willingness to work on specific cases, and asked me to communicate to the embassy specific cases of trade unionists or family reunification, so they can take it up directly with the Israeli authorities," Kuttab said. Hawke invited the Palestinians to write to him in detail on these and other problems.

In his address at the Senate Hall of the Hebrew University, where he was awarded an honorary doctorate,

Hawke observed sadly that the old generation of pioneers has largely passed on, and that Israel was today confronting issues of which those pioneers knew nothing. He cited several of these issues in the form of questions. "How will Israel solve the great issues of political principle and human rights, not to mention the demographic pressures entailed in its role as administrator of the occupied territories?" he asked.

Jemayel, Assad pledge end to Lebanese war

KUWAIT (Reuters). - Lebanon's Amin Jemayel and Syria's Hafez Assad yesterday pledged to work together to end the Lebanese civil war, following their first meeting in over a year.

WASHINGTON (Reuters). - The Reagan Administration announced yesterday it was forbidding Americans to travel to Lebanon unless they had government approval.

State Department spokesman Charles Redman told reporters American passports could not be used for travel to or through Lebanon unless officially validated for that purpose. "Effective immediately, U.S. passports are not valid for travel to, in or through Lebanon unless specifically validated," he said.

Three American university professors were seized in Moslem West Beirut last Saturday, bringing to eight the number of Americans known to be held hostage in war-torn Lebanon.

Meanwhile, the Church of England and the British government said they had failed to track down Anglican envoy Terry Waite, who vanished in Beirut nine days ago on a mission to free western hostages.

But the Beirut newspaper *Al-Nahar* reported yesterday that guarantees of Waite's safety have been given to Lebanese intermediaries and that Iran had offered to help find the missing mediator.

President Assad told reporters after a 55-minute meeting with Jemayel: "We will multiply our efforts to overcome the Lebanese-Syrian difficulties."

Jemayel, in a speech to the Islamic Conference Organization (ICO) summit here, praised Assad for "extending a helping hand."

The two leaders have been at odds since Jemayel rejected a Syrian-brokered peace pact between Lebanese Christian and Moslem militias a year ago.

The Islamic summit is expected to approve a draft resolution on the Lebanese crisis which calls for

national reconciliation and an end to the Israeli presence in South Lebanon.

Jemayel also appealed for help to enable Lebanon "to carry out responsibilities toward its Palestinian brothers residing on Lebanese territory and extend to them the support and protection of the law."

In London, British officials said the government is prepared to talk to radical Lebanese militia groups in order to track down Waite and secure the release of western hostages.

Prime Minister Margaret Thatcher spoke to reporters about Waite for the first time since his disappearance, praising him as a man of enormous courage, who believed in doing whatever he could to help hostages of whatever nationality.

Guarantees about his safety were given to a Lebanese Shi'ite doctor and former cabinet minister, who has been acting as an intermediary between Waite and the kidnappers of U.S. hostages, the independent Beirut newspaper *Al-Nahar* said.

In Iran, Parliamentary Speaker Ali Akbar Hashemi Rafsanjani said: "We will definitely help if we can. I don't know the details of his mission, but apparently it was humanitarian."

Hundreds of chanting, placard-waving Lebanese students staged anti-abduction parades in West Beirut yesterday. But a pro-Iranian Shi'ite leader, Hussein Moussawi, declared his support for the kidnapping of foreigners.

Meanwhile, two U.S. aircraft carriers and their support vessels have been ordered to prolong their stay in the Mediterranean, a U.S. Navy spokeswoman said yesterday. The carrier *Nimitz* had been due to visit ports in France, Spain and Italy.

Bonn police find cache

MERZIG, West Germany (AP). - Police said yesterday they had unearthed a large cache of explosives near the French border as authorities investigated a possible Middle East terror ring operating out of West Germany.

The cache was hidden in a field 10 kilometres from the home of Ali Abbas Hamadi who was arrested Monday night at Frankfurt airport. He is the brother of Mohammed Ali Hamadi, one of the alleged hijackers of a TWA jetliner in 1985.

Police arrested Ali Abbas Hamadi on Monday because they suspect he may also have been involved in the Beirut kidnappings of two West German businessmen that were sparked by Mohammed's arrest.

After the arrest police conducted a series of searches in and around the town of Merzig, where Ali Abbas Hamadi has his home. Mohammed Ali Hamadi lived in the town of Saarbrücken, 20 km. from Merzig, before his own January 13 arrest in Frankfurt on charges of taking part in the TWA hijacking.

Meanwhile, a ranking member of the opposition Social Democratic Party warned the government yesterday against extraditing suspected TWA hijacker Mohammed Ali Hamadi to the U.S., a newspaper report said.

By extraditing Hamadi, the government "gives one of its options away,"



He thought arms for Iraq a good idea

LABOUR MK Mordechai Gur three or four years ago proposed that Israel allow the Arabs to ship arms from Egypt across the Negev to Jordan for onward transmission to Iraq. But "the proposal was rejected and an opportunity to put the Arab world in Israel's debt was lost," says Gur.

Gur, a former IDF chief of staff, who was then an MK and leading Labour figure, says he cannot recall the forum in which he made the proposal but says that it reached "the cabinet ministers." He recalls that at the time "some 40 vessels were lined up outside Aqaba harbour waiting to offload arms for Iraq, which was in desperate straits in its war with Iran."

Gur then believed that providing this major strategic service to the Arabs would have "benefited the peace process in no small measure." The matter was apparently weighed but, eventually, rejected, says Gur.

He likened that rejection to the subsequent one of offering to strike a deal with Syria over Lebanon. "We could have reached a settlement with them before our withdrawal [in 1975]. But the opportunity was lost, and after we left there was no longer anything to talk about. There is a sort of emotional block in Israel against dealing with Syria. But it must be recalled that we made deals with Syria (after 1973) and they stood by the provisions to the letter."

IN PERSON BENNY MORRIS

Gur, who resigned from the cabinet last October, with rotation, over the Shin Bet affair, believes that the national unity government will "last out its term of office, down to the last minute. All those factors which prevented the government's fall before rotation, will continue to govern affairs until [1988]. I fail to see an issue that could break up the government."

Gur regards the continued existence and functioning of the unity government as a disaster for Israeli democracy. He fears that the next general elections, if they end in a similar electoral stalemate, will result in a further term of national unity government. He says that the unity government "smooths over" problems rather than solves them or governs. "It is like riding waves. 'Don't annoy the public' is the motto," says Gur, making a repeated waving motion with his hand. He bemoans the government's inability to take major decisions, "its attachment to the status quo, like bourgeoisie guarding their property."

He recalls that he told Peres at a recent meeting - when Peres sounded him out about the possibility of his returning to the cabinet - that perhaps Peres is right and that "we live in a time when one must move with the waves. But I am not built for that. I can't live that way, so I'm outside."

"I didn't leave because of a problem in or connected with my office (the Health Ministry). I left because of a principle, the principle of ministerial responsibility or its absence in the handling of the Shin Bet (General Security Service) affair. The matter concerns the nature of government, how one governs. 'We did not know' (the motto of Yitzhak Shamir and Shimon Peres in the affair) has now become a fashion, a style of government. They didn't know where it leads. Now (the Jewish Agency chairman Arye) Dultzin and the heads of the bank say the same thing (in the Japnet affair)."

Turning to the regional political problems, Gur says that the problem isn't whether or not to go to an international peace conference. The problem is, "to my regret, that the Arab world is unable to take decisions that could lead to a breakthrough (towards peace). There are still many elements in the Arab world who are opposed to our existence."

Gur recalls a recent meeting with a West German newspaper editor, who a few months ago met PLO chief Yasser Arafat. The two had previously met before the war in Lebanon. "I asked the editor whether anything had changed in the interim in Arafat's thinking, whether the Lebanon war, the expulsion from Beirut and the subsequent events had done anything to Arafat's thinking. 'Nothing, nothing at all,' he said."

Gur summarizes: "The PLO are turned in upon themselves, stuck in their whirlpool of internal rivalries and conflicting positions."

Shamir keeps cool in eye of storm

By DVORAH GETZLER For Knesset Reporter

An imperturbable Premier Yitzhak Shamir, proclaiming that he was not a watchmaker, stood at the centre of a mini-storm during question time at the Knesset yesterday, as left and right wing opponents tried to buffet him.

Answering the Tebiya's Geula Cohen, Shamir sheltered doggedly behind the national unity government's guidelines on settlement in the administered territories and his insistence that the government had made no decision on any international conference to end the Israel-Arab dispute.

But in answering Citizens Rights Movement MK Yossi Sarid, Shamir won a laugh from the chamber.

"I'm not a watchmaker," he told Sarid, who had suggested that Shamir's associates should concern themselves less with Vice Premier Shimon Peres's watch (a reference to a current political scandal) and more with the sands of time that were running out for Israel in the international scene.

Earlier, Sarid had protested that in response to an appeal from the Knesset presidium he had withdrawn a motion for the agenda on the conflicting statements made by Peres and Shamir on precisely the issues that Geula Cohen sought to have Shamir clarify.

If he (Sarid) could behave "like a gentleman" and a hold out until Peres's return, said Sarid, he wondered why Shamir was not showing the same degree of solidarity, not to

KNESSET ROUNDUP

say government responsibility. For Sarid, Cohen's question was one that had been "invited," and that was unacceptable, he said.

But Cohen asked her question: Since Shamir and Peres were clearly saying different things, she said, she wanted to know whether Peres's statement about the freezing of settlements in the territories reflected government policy; and, was there an authoritative government stand on an international conference, and, if so, when had it been arrived at?

Shamir recited the government's guidelines and said that they left no room for the claim that settlement had been frozen. No discussion had been held on an international conference and all Israeli governments had hewed to the idea of direct negotiations.

The deep divisions between the major components of the national unity government came noisily to the surface yesterday as the Likud's Yigal Cohen presented a motion for the agenda complaining of the parlous treatment meted out to the settlements of "Judea and Samaria," and Labour's Haim Ramon presented a motion protesting against excessive spending in what he termed the "administered territories."

Cohen charged that the develop-

ment towns were being infected against the settlements by persons claiming that huge sums were being spent in the West Bank and Gaza Strip. The contrary was true, he said. The Treasury, he urged, must publicize the exact figures.

Far too much was, indeed, being spent, said Ramon. With such easy conditions in the West Bank, why should anyone choose to make his home or his living in a development town? The entire investment in the territories may prove a waste, and in any case, an issue on which the country is divided, Ramon said.

He accused the government of a form of "apartheid-like de facto annexation" of the territories - the moment went only to Jewish settlements, and it came from the state budget, he said.

Both motions were referred to committee.

Political appointments in the Housing and the Industry and Trade Ministries came under attack yesterday. Both ministries are run by Likud leaders: David Levy and Ariel Sharon, respectively.

The Alignment's failure to sum up sufficient of its members for the vote on motions for the agenda by their own Yitzhak Artzi and the Citizens Rights Movement's Dedi Zucker resulted in both motions being struck from the agenda.

But MKs could take comfort from the reply of Deputy-Finance Minister Adi Amichai, who said that the Attorney-General's office had readied recommendations that were now under discussion.

Padeh Committee meets, hospital workers end strike

By JUDY SIEGEL Post Science and Health Reporter

The Padeh Committee on government hospital worker wages met last night, with the participation of Finance Minister Moshe Nissim, after leaders of the hospital workers had earlier voted to cut short a strike of some seven hours.

After two hours of discussions on procedural principles in "a relaxed, casual atmosphere" according to the Treasury spokesman, it was agreed to meet continually over the coming days until all issues are resolved.

It was also agreed that any matter that the Padeh committee was not qualified or able to resolve by itself, would be handled by Nissim and Haim Haberfeld, trade union chief of the Histadrut. A sub-committee will meet at Sheba Hospital this morning to discuss equalization of wages.

Ronnie Shalem, head of the union representing the 10,000 hospital administrative and maintenance workers, asserted after the vote to return to work, that they were merely demanding wages comparable

with those of their counterparts in Kupat Holim hospitals. He denied recent claims by Treasury spokesmen that the strikers had been pushing for increases beyond equalization.

The Padeh Committee, empowered in 1973 by the government to equalize the wages of government hospital staffers with those in the health fund's hospitals, met three times in the past two weeks. But the slow pace of negotiations with the government angered the workers, who voted last week to go on strike for four days, causing havoc and threatening patients in the wards with infections from the accumulated filth.

Temporary restraining orders issued by the Jerusalem Regional Labour Court were defied at 6 a.m. yesterday, when the workers again abandoned the hospitals after a few days of waiting for a Padeh Committee ruling.

Only after 1 p.m. did the union's national council vote 35 to 23 to return to the hospitals on condition

that the committee convene immediately and with Nissim's participation. Nissim noted as the vote was being held that the Padeh Committee had originally been scheduled to reconvene yesterday morning, and that the workers - by their strike - had forced the postponement of the meeting until later in the day.

Although it lasted for only one shift, the strike caused hardship to patients, especially those in psychiatric and geriatric wards, where paraprofessionals normally outnumber medical and nursing staff. Some government hospitals brought catered food in from the outside, while others depended for food on relatives and volunteers.

Because all outpatient clinics were closed in the 33 government hospitals, thousands of people seeking treatment had to be turned away. But perhaps those most affected by the strike were patients who had been scheduled to undergo surgery yesterday and who, after waiting for months for an operation, were told they would have to wait longer.

Israeli freighter burns in Italian harbour

HAIFA. - A fire that broke out early yesterday morning on the Israeli freighter M.S. Hadar in Italy's Trieste Harbour was still burning last night. None of the 26-men crew was injured in the blaze, but a visitor who jumped off the bridge into icy water was taken to hospital for treatment. Reports from Trieste say that several crewmen jumped overboard as well.

The extent of the damage and the cause of the fire were still unknown last night.

Cars torched

By YORAM GAZIT

TEL AVIV. - The cars of the deputy-chairman of the Givat Shmuel Local Council and of a council inspector were set on fire before dawn yesterday. Police are investigating the possible involvement of a local family with criminal backgrounds.

The remand of one member of the family, David Halperon, 36, was extended by five days yesterday by the Tel-Aviv Magistrate's Court. Halperon was arrested last Friday for allegedly setting on fire earlier that day the car of council deputy-chairman, Ya'acov Vismonski, and on suspicion of torching the council office on January 6.

Vismonski, 50, yesterday told *The Jerusalem Post* that the wave of arson against him and other council members had started 36 hours after he had ordered the closure of a tefel and steak house belonging to David Halperon.

Vanunu asks court to end solitary confinement

By MENACHEM SHALEV Jerusalem Post Reporter

Mordechai Vanunu yesterday petitioned the court to order prison authorities to end his solitary confinement and to allow a Christian clergyman to visit him in jail.

Jerusalem District Court Judge Zvi Cohen is scheduled to hear Vanunu's new petitions at 11 a.m. this morning in what is expected to be an open hearing, without Vanunu's participation.

Cohen will also consider Vanunu's outstanding petition that prison authorities allow his girlfriend, Judy Zimet, an "unencumbered" visit to his prison. On Tuesday Vanunu rejected the "security safeguards" which the authorities had insisted on as a precondition to her visit.

The State Attorney's Office yesterday claimed that Vanunu's attorney, Amnon Zichroni, had

agreed to these "safeguards" - which included a soundproof glass partition and communication via pre-checked notes - but had reneged at the last minute.

Responding to Vanunu's petition on Zimet, the State claimed that prison authorities may ban a meeting with a prisoner when state security interest could be harmed.

The State says that Vanunu "betrayed the trust" of prison authorities by flashing a message on his palm to reporters on December 21.

Vanunu's newest petitions dealing with the confinement and the clergyman were sent directly to the court. His attorney was not involved in their preparation and did not know of Vanunu's plans to submit them.

Vanunu, awaiting trial for revealing Israel's alleged nuclear secrets to the London *Sunday Times*, has been on a hunger strike for 26 days.

We announce in sorrow the passing of our beloved

Dr. ELI FINKLER

The funeral will leave from the Sanhedria Funeral Parlour, Jerusalem at 12 noon today, Thursday, January 29, 1987.

The Family

THE EXECUTIVE OF THE WORLD ZIONIST ORGANIZATION

extends warmest congratulations from Jerusalem to the honorable

Mark Leibler, AO

President of the Zionist Federation of Australia

upon his having been awarded

the Order of Australia

in recognition of his services

to the community as a whole,

and the Jewish community of Australia, in particular.

Arye L. Dulzin
Chairman</

State of Union address focuses on future

Reagan defends Iran initiative

WASHINGTON (Reuters). — President Reagan has told Congress that serious mistakes were made in carrying out his Iran arms policy, but he defended the secret deals that plunged the White House into the worst crisis of his administration.

In what was regarded by many as his most important State of the Union address, Reagan said Tuesday night he regretted the arms plan did not work but he defended his attempts to reestablish contacts with Iran and free American hostages held in Lebanon by pro-Iranian factions.

He mentioned the Iran affair briefly Tuesday night and sketched only several new domestic legislative priorities — such as trade, welfare and health insurance — that he will propose over the next few weeks.

It was a typical upbeat Reagan address that focused on the future when many members of Congress wanted to hear how the president became involved in the biggest public crisis of the recent past.

Reagan, making his first public appearance since prostate surgery, was warmly applauded as he repeated old themes about balancing the budget despite his own record of doubling the national debt.

Congressmen said Reagan, who turns 76 next week, appeared vigorous and in charge despite the operation on January 4.

Reagan pressed for his controversial "Star Wars" space defense initiative and defended U.S. support for rebels in Nicaragua and Afghanistan. But lawmakers said it was Iran that dominated their attention.

Some key members of Congress said Reagan's acknowledgement of full responsibility for the Iran affair and his statement that serious mistakes were made fell far short of what they expected.

Congressmen investigating the scandal have charged that the administration should never have

entered into any arms deals with Iran, listed by Washington as a terrorist state since it seized the U.S. embassy in Teheran in 1979 and held 52 Americans hostage for 444 days.

Reagan pointed to what he said were achievements of his administration in keeping peace in the world and building up defenses in six years.

"But though we have made much progress, I have one major regret," he said. "I took a risk with regard to our action in Iran. It did not work. And for that I assume full responsibility."

He continued: "The goals were worthy. I do not believe it was wrong to try to establish contacts with a country of strategic importance or to try to

Iranians show off Bible

TEHERAN (Reuters). — Iran's speaker of parliament yesterday showed reporters a Bible he said had been signed by U.S. President Reagan.

Ali Akbar Hashemi Rafsanjani told a news conference that Reagan sent the volume to the leaders of Iran as a sign of good faith during his secret initiative to improve ties with Teheran.

The inscription was signed "Ronald Reagan" and dated October 3, 1986.

save lives. And certainly it was not wrong to try to secure freedom for our citizens held in barbaric captivity. But we did not achieve what we wished. And serious mistakes were made in trying to do so."

His statement of "serious mistakes" was a change from only three months ago after the scandal broke over the Iranian arms deal and alleged diversion of profits to Nicaraguan rebels.

At a news conference on November 19, Reagan said, "I don't think a mistake was made...it was a high risk gamble and it was a gamble that I believe the circumstances warranted, and I don't

see that it has been a fiasco or a great failure of any kind."

After the speech, some members of Congress said they were left dissatisfied.

"It was ridiculous," said the former chairman of the Senate Intelligence Committee, Democrat Patrick Leahy.

"We have had our worst foreign policy disaster in decades and they're treating it as a one-liner," he said. "They can't seem to understand it is not a public policy problem but a foreign policy disaster."

Even Reagan's staunchest supporters wanted to hear more about the foreign policy problem. "We would have liked to have more said about it," said House Republican leader Bob Michel.

In an official Democratic response, House Speaker Jim Wright and Senate Democratic leader Robert Byrd pledged cooperation with Reagan but urged him to sit down with the Democrats who control both houses of Congress now for the first time since Reagan entered office in 1981.

The official Soviet news agency Tass accused Reagan yesterday of making malicious attacks on Soviet policy in his State of the Union address.

Reporting from Washington, the agency said Reagan had misrepresented the character of the U.S.-Soviet summit talks in Reykjavik last October and had sought to justify aggressive policies against Nicaragua.

Noting that Reagan had urged more constructive relations with the Soviet Union, Tass said: "He hedged his statement with a number of conditions, such as 'more responsible Soviet conduct around the world,' and 'progress on the other items of our agenda as well — real respect for human rights'."

"He also maliciously attacked the Soviet Union's foreign and domestic policies and the socialist system."



President Reagan is applauded by Vice President George Bush, left, and House Speaker Jim Wright at the start of his State of the Union address to the 100th U.S. Congress. (AFP telephoto)

Philippine rebels still holed up

MANILA. — Rebel soldiers holed up inside a television station yesterday vowed not to surrender despite volleys of tear gas and threats of a government attack.

Some 200 dissident soldiers said they wanted the situation resolved peacefully.

Government troops fired more than two dozen volleys of tear gas at the mutineers inside the captured Channel 7 television compound.

"We will not surrender," their leader, Air Force Col. Oscar Canlas said.

Canlas went on the radio after the renewed government tear gas assault to demand "to be left alone."

An unidentified speaker preceded Canlas and called on the soldiers outside "to join us here."

The appeal was the first indication that the rebels were trying to draw fresh recruits. The rebels at the television station have held out for nearly 48 hours following a military rebellion that was quickly crushed elsewhere.

The government of President Corason Aquino says the rebellion was a plot by die-hard followers of ousted President Ferdinand Marcos. (AP, Reuters)

FOREIGN NEWS IN BRIEF

U.S. selling F-16s

WASHINGTON (Reuters). — The Reagan Administration said yesterday it will sell 52 advanced F-16C/D fighter jets to Bahrain and Egypt for \$1.7 billion. The Defense Department said in a statement to Congress that 12 of the jets would go to Bahrain along with air-to-air missiles and other equipment for \$400m., and Cairo would buy another 40 for \$1.3 billion.

Threat to Egypt security

CAIRO (Reuters). — Clandestine religious groups, including Iranian-inspired Moslem zealots, are the major threat to Egypt's security, Interior Minister Zaki Badr was quoted as saying by the national Middle East News Agency. "Extremist activities that may cause religious strife are the most dangerous to domestic security," Badr told university professors in Alexandria Tuesday night.

Mother Teresa robbed

NEW DELHI (AFP). — Thieves have made off with \$100,000 sent by charity organizations to Mother Teresa of Calcutta. It was reported yesterday.

India has asked Singapore to track down the unknown thieves who reportedly cashed donation drafts sent to the Nobel peace prize winner.

American freed

MANAGUA (Reuters). — Nicaragua yesterday released Sam Hall, an American arrested here last month and accused of espionage.

Hall, 49, appeared well as he boarded a Nicaraguan airliner bound for Costa Rica accompanied by his lawyer and a U.S. consular official.

73 seconds of silence

CAPE CANAVERAL (AP). — Seventy-three seconds of silence, the length of Challenger's final flight, was the spaceport's tribute to Americans honoured seven astronauts including the first "ordinary citizen" in space, who died a year ago yesterday. Among those killed was New Hampshire schoolteacher Christa McAuliffe. All 10 National Aeronautics and Space Administration centres observed the 73 seconds of silence.

Aide of Brezhnev ousted

Gorbachev boosts authority

MOSCOW (Reuters). — Soviet leader Mikhail Gorbachev consolidated his authority in the Communist Party yesterday with the removal from the ruling Politburo of a former close aide of the late president Leonid Brezhnev.

The official news agency Tass said Dinmukhamed Kunayev, former party leader in the Central Asian republic of Kazakhstan, was dropped at a session of the party Central Committee in Moscow.

The Central Committee also promoted Alexander Yakovlev, a close personal aide to Gorbachev, to non-voting membership of the Politburo.

It elected two new Central Committee secretaries, the men who are responsible for running the party machine on a day-to-day basis.

They are Nikolai Shlyukov, party

leader in the republic of Byelorussia, and Anatoly Lukyanov, head of a department of the Central Committee that handles administrative affairs.

Mikhail Zimyanin, 72, a veteran member of the Central Committee secretariat, was retired on health grounds, Tass said.

The changes were the first in the inner ranks of the Soviet leadership since the 27th party congress last March.

They left the Politburo, the Soviet Union's most important body, with 11 full members and eight non-voting members. The Central Committee secretariat now has 12 members.

In an initial assessment, analysts said the removal of Kunayev and the promotion of Yakovlev in particular suggested Gorbachev had consid-

ably boosted his authority in the party's upper ranks.

The last remaining Politburo member associated with Brezhnev, Ukrainian party leader Vladimir Shcherbitsky, kept his position on the party's ruling body.

Analysts said this pointed to the strong personal power base that Shcherbitsky has built up in the Ukraine. He was reconfirmed as Ukrainian leader only last month.

The Central Committee, which closed its two-day meeting yesterday, was in session for the first time in seven months.

Gorbachev delivered a speech Tuesday calling for sweeping changes in party procedures, including the election of senior officials by secret ballot and multiple candidates for top offices.

Kensington residents want PLO to move out

By DAVID HOROVITZ
Jerusalem Post Correspondent
LONDON. — "We're here to ask for help. And all they want to do is wash their hands of the whole affair."

"They say they can do nothing. Presumably we'll have to wait until someone gets killed."

So spoke two Kensington residents at a public meeting called to discuss the PLO's move last month into offices in the heart of residential Kensington.

The PLO's new neighbours on Tuesday voted 114-1 in favour of a resolution calling for the removal of the organization, and urging that this request be placed before the officers of the PLO, the local borough council, and the Home and Foreign Offices. It is likely that the one vote against the resolution was cast by the PLO's representative.

Two members of the local council explained that the PLO had not violated any regulations in moving to the offices in Clareville Grove, since the building had been designated for office use back in 1971.

Council leader Nicholas Freeman said that he was "exceedingly concerned" at the PLO's presence in the borough, but that he was "in no position to stop it. We must try to live with the PLO, since neither the government nor the council can evict them."

The PLO's representative, a Mr. Oweida, charged that "the press is trying to deceive you" over the nature of the work being carried out in the building. He said that, contrary to press reports, bullet proof glass had not been installed and that "there are no more fortifications than in any other British home."

The headmaster of the adjacent primary school noted that 90 per cent of the children had to pass the PLO building every day, and he asked if the police could guarantee the children's safety.

Unfortunately neither the police, nor local MP Nicholas Scott, had seen fit to put in an appearance at the meeting.

The matter was raised in the House of Lords on Tuesday by both Lord Chalfont and Baroness Young, and Scott has agreed to meet a delegation from the local residents' association.

"I'd like to be optimistic and say we have a 50-50 chance of success," John Harris, who lives next door to the new PLO offices, told The Jerusalem Post yesterday.

Feminists 'get involved' in Philippines

Gun-toting women oppose Cory

By ROSARIO LIQUIA
GENERAL LUNA, Philippines. — They began 15 years ago the same way as many feminist groups in the West — raising clenched fists in anger at beauty contests they said exploited women.

But today members of the nationalist Movement for New Womanhood are raising guns, vowing to bring down a government. They admit, however, to being privately pleased that the Philippines at long last has a woman president — even though it is Corason Aquino's government they are seeking to overthrow.

The previous president, Ferdinand Marcos claimed publicly that a woman's place was in the bedroom.

Also known as Makibaka — the word means "get involved" — the movement claims a following of 200,000, several leaders with prices on their heads and a history few, if any Western feminist groups can match or maybe even fathom.

Founded by 15 women in April 1971 as a group seeking to liberate women from subservient roles in society, Makibaka was driven underground by Marcos when he declared martial law in 1972.

Now Makibaka is one of 12 groups in the Communist-dominated National Democratic Front (NDF), the coalition leading rebellion in the countryside.

Makibaka says its present goal is

to "liberate the Filipino people from foreign domination and feudal control" and like many a rebel group in the Philippines it claims control of part of the countryside.

Makibaka says its present goal is to "liberate the Filipino people from foreign domination and feudal control" and like many a rebel group in the Philippines it claims control of part of the countryside.

Victoria "Vic-Vic" Justiniani, the group's spokeswoman, says she was leading a comfortable life in Manila when Marcos imposed martial law on September 21, 1972.

Driven underground, she traded a college education for a gun. Now she has a \$4,000 price on her head.

She says waging war has become a way of life and there is no turning back. Surrender is out of the question.

A 29-year-old guerrilla leader, KA (comrade) Rosenda, who has been with the movement for 10 years and who commands about 100 women rebels in 16 towns in Quezon province, said: "This has been my life and I feel secure with the movement. I know no other life."

Justiniani, 31, and Rosenda were among two dozen gun-toting women who recently met reporters — mostly women — invited to Makibaka's first press conference. It was held in a guerrilla zone in Quezon about 160km southeast of Manila.

Justiniani said: "As days went into

weeks and weeks into months and months into years, life with the masses made us realise that joining the revolution was not a mere testament to our personal causes but a commitment to pursue the collective will of a nation craving for social change."

"Welcome to a rebel territory," one woman guerrilla greeted Manila-based journalists who arrived at the press conference site.

The guerrilla said most of the women in the area started out as messengers for the Communist New People's Army. Later they began to learn how to treat the wounded with crude acupuncture. "When fighting escalated, we fought side by side with the men," she said.

The guns have temporarily fallen silent because of a 60-day cease-fire between the government and the NDF which expires on February 8.

But KA Rosenda said: "You know, although we have a cease-fire at the moment it is not unlikely for us to go back to the battlefield. When that happens, I think fighting will become more intense."

KA Sarah, 24, said: "The cease-fire has afforded us the chance to train and organize the masses quite openly. Yes, it gave us a respite from fighting but not from our other tasks which are equally important."

She said the bullets kept in belts around the women's waists and normally cleaned every two weeks were beginning to show signs of rust — "Not only because we have not fired a shot but also because we have been busy with other things, like lectures before organized groups in villages."



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1. The Ports Authority — Israel, in accordance with its obligations under the International Agreement on Government Procurement, has contacted qualified suppliers within the context of a selective tendering procedure to obtain quotations for the following equipment:

2 ea. WHEEL LOADER

2. Other suppliers who wish to be qualified and to submit quotations for the above-mentioned equipment are invited to apply to the Ports Authority at the address below. The Ports Authority will supply all appropriate documentation, including the forms necessary for qualification, relating to this equipment.

3. Only the quotations of those suppliers who have been qualified will be considered for the purpose of the supply of the equipment. Thus, suppliers who submit the documentation should insure that the qualifications forms have been completely and accurately filled out.

4. The Ports Authority is not obligated to accept the lowest or any offer for the supply of the abovementioned equipment.

5. The last date for submitting the qualification forms and quotation is March 31, 1987.

6. The qualification forms and documentation can be obtained from: Port Authority — Israel, Material Handling Division, Room 1203, 74 Petah Tikva Road, Tel Aviv, Israel.

ERETZ Magazine — Winter 1987

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- "The Well-Intentioned Entrepreneur" — Sir Moses Montefiore in the Land of Israel
- Desert delights: The ERETZ Guide to Travel in the Negev Highlands
- "Delivering the Goods" — The Nabatean Spice and Perfume Route
- "Kaffiyeh versus Tarbus" — Moslem Attitudes with Regard to Dress
- "The Boat that Came up from the Sea" — The First Ancient Boat Discovered in the Sea of Galilee
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PERFECT GIFT FROM ISRAEL

FEATURES / SPORTS

Without malice

WHENEVER one encountered Arie Navon over the past 60 years, he would be clutching a drawing pad on which to sketch anything that caught his eye. "That was my way of learning more about things, and especially about people."

A man is a man is a man, and he occupies a central place in Navon's artistic world. Even when he does a cartoon, he is careful to preserve his subject's character. "I hate distortion beyond what is essential - even drawing a big head on a tiny body."

He thinks in pictures. One of his early memories was of a snow-bound plain with black ravens hovering overhead. It was somewhere in the Ukraine, where his father was a merchant. An elder brother was in Jerusalem, studying at the Bezalel art school. Another of his brothers also became a professional painter. Doodling came naturally to the little boy.

When World War I broke out, "Father bought a horse and buggy and took the whole family travelling."

Apparently he feared for his safety in a small place in the heart of the Ukraine, where Jews were often attacked in troubled times.

"Father hoped the war would be over in four or five months. We travelled around a lot, and spent half a year in Bessarabia. In 1919 we made our way to Odessa and got passages on a Russian cargo ship sailing to Jaffa. She took a month to reach her destination. We had to sleep in a draughty gangway. The place reeked of vomit. The food was indescribable."

"The Black Sea was rough, with white-capped, dark-blue waves. Suddenly, as we entered the Sea of



(Sraya Shapiro)

Marmara, the water became whitish-grey, calm as a mirror, sparkling in the sun. And then, when we left it, the water turned blue again, but a quite different shade."

The dramatic changes stirred the heart of the 10-year-old artist.

IN TEL AVIV, Arie was sent to the Geula School, which was considered more "practical" than the older Herzliya Gymnasium. But the attempt to inculcate practicality was useless.

He staged theatrical performances, which he wrote himself and in which he played the main roles. And he did cartoons of his teachers, classmates, and the people he encountered in his parents' circle.

Shlonsky, who edited the literary periodical *Turim*, published some of Navon's cartoons. Later, Berl Katznelson, who headed *Davar*, engaged him as the daily paper's cartoonist. He had to provide at least one drawing a week. The paper also enabled him to spend two years in Paris. A cartoonist is essentially a painter.

"I preach, not kill," says Navon. For 30 years he commented on current affairs in *Davar*, never with malice.

"Perhaps the world was different

THERE AND THEN

Sraya Shapiro

then. We were all optimists of a sort. We wanted people to be good. Even the villains were eligible for redemption. The State loomed distant, but shining in our imagination.

Navon also designed a weekly strip for children. "Lea Goldberg, the poetess with the sad face, would look at the drawings, take a puff on her cigarette, and compose simple verses about a pot-bellied child and a clever donkey," he said.

"WHAT I really wanted to do was to work for the theatre," Navon confesses. But no opportunity appeared for a long time. "Once Meskin asked me whom would I recommend to design the settings for a Habimah performance. I gave him a few names, though my tongue burned to say, 'I want it!'"

The chance came in 1948, when "Beppo" (Yosef Milo) asked Navon to prepare the sets for *He Went Through the Fields*. Navon now has some 150 stage designs to his credit.

He sees himself essentially as an artist. But his fellow cartoonists honour him as the first professional among them in this country. A corner of the current exhibition of cartoons at Haifa Museum is devoted to the works of Arie Navon.

"Well, perhaps I was the first professional," he concedes. "Anyhow, I felt I was stepping on virgin soil. A Frenchman, for instance, has stereotypes to help him - a mustachioed man in a kepi holding a baton is obviously a policeman. But what attribute do you attach to a Jewish policeman who is probably an ex-yeshiva Litvak whose pronunciation of the letter *shin* raises a smirk."

Perhaps the greatest handicap for a cartoonist is to love his victims.



Daniel Barenboim

(Israel Sun)

A new reality

MUSIC REVIEW

RUBINSTEIN CENTENARY CONCERTS: Recital No. 3, Daniel Barenboim in an all-Beethoven programme (Mann Auditorium, Tel Aviv, January 27). Sonatas No. 30 in E major, Op. 109; No. 31 in A flat major, Op. 110; and No. 32 in C minor, Op. 111.

IN THIS recital Daniel Barenboim created a new musical reality. Beethoven's three last sonatas emerged as one huge statement. They seemed inseparable, each one a continuation of the other, reaching a final solution at the end of the third. It was a real and immensely exciting drama in three acts, fascinating and breathtaking throughout.

Op. 109 depicted great happiness, dreamlike lyricism, peace and tranquility. Op. 110 revealed in its last movement sorrow and mourning, its recitative expressing almost unbearable suffering. And then came Op. 111, with the titanic strife in the first movement, the resignation and acceptance in the last, which transcended the material properties of the instrument and ventured into the spiritual realm.

Barenboim's interpretations not only grasped the deepest meaning of all these human feelings; he transferred them to a universal level. It was not Beethoven who spoke but humanity, in its agony, its sufferings and its deeply moving endeavour to reach nirvana.

All this Barenboim achieved by means of an incredible ability to discover what hides behind the printed notes and project it by making the piano sing with a human voice. His fluctuations of tempi, his immensely rich and kaleidoscopic articulation, the never-ending variation of timbre and expressiveness of his touch were the instruments through which he transmitted the message. When the final climactic surge of the second movement of Op. 111 dissipated in the space of the hall, we understood better than ever before that Beethoven had spoken his last words, had written his spiritual testament, and that there could not have been anything more.

BENJAMIN BAR-AM

BASKETBALL

Mickey, Motti in memory lane

By DARKO PREVIC

Special to The Jerusalem Post
ZADAR - Maccabi Tel Aviv have looked very sharp in their training sessions on the court here, and every member of the team is obviously determined to give of his best in what is a crucial game.

"The game will be very hard because both teams need the victory," Mickey Berkowitz told me. He added, "Zadar's spectators are fiery to the point of fanaticism."

Zadar have two good point guards and two new players who did not play in Tel Aviv because they serve in the Yugoslav army and were not allowed out of the country. In practice, the toughest players appeared to be Stojan Vrankovic, a tall centre; Popovic, an expert three-point shooter; and Arjan Komazec, a 17-year-old with a rapidly growing reputation.

The man that Maccabi know best and fear most, 32-year-old Ante Matulovic, seems to have recovered from the bad injury that kept him out of the game for some time. He looked good in practice, but it is doubtful whether coach Gjergja will allow him to play full time. This may work to Maccabi's advantage.

For Mickey Berkowitz and Matti Aroesti this is indeed more than a basketball game; it is a nostalgic trip down memory lane. It was here that the two of them first made their mark in the Israeli junior team in 1972. Mickey pointed out a sign on the wall of the hall - "European Junior Championships 1972."

He certainly had a good time here then. Israel finished fourth, but they won games against the Russians - 73-60 - the Czechs, the Poles and the Spaniards. The 1972 crowd were

particularly delighted by the Israeli victory over the Russians.

Perhaps as a legacy of remembrance of things past, perhaps because of his dramatic score at the last minute in Maccabi's second game against Zalgiris, Mickey is a great favourite here with the crowd. Hardly a minute passes without somebody seeking his autograph. "I have such good memories. I'm sure I'll do well here," he commented.

It seems that Doron Jamchee has recovered from his illness, so Maccabi should be at full strength.

Teams: Maccabi: Howie Lussoff (4); Ido Steinberger (10); Greg Cornet (18); Mickey Berkowitz (9); Chen Lippin (10); Doron Jamchee (12); Kevin Slagter (13); Lee Johnson (15); Lior Arditi (14).

Zadar: Arjan Komazec (13); Stipe Sartija (9); Ante Matulovic (18); Peter Popovic (16); Ivica Ojad (14); Branko Skrobo (15); Veljko Petrovic (12); Darko Pablic (14); Stojan Vrankovic (11); Drazen Blazevic (10).

The game will be broadcast live on radio and television starting at 9.30 p.m.

CRICKET

Aussies crush West Indies

SYDNEY - Australia kept their Sydney Cricket Ground hoodoo over the West Indies alive and rescued hopes of a place in the finals with a 36-run World Series cup win here yesterday.

After compiling a mediocre 194, the Australian attack, minus injured strike bowler Bruce Reid, came out and dismissed the West Indies for a paltry 158 with 3.5 overs remaining, their lowest score at the ground.

Australia's win gives them chances of making the competition's finals an enormous boost following Monday's victory over England. With six of their eight qualifying games played, Australia now have six points, the same as England who have won three of their five games. The West Indies are bottom of the table with only two wins from five matches.

Viv Richards played a virtual lone

hand in the West Indies innings, making 70 from 96 balls with nine boundaries. But when the Windies captain was out with the total at six for 114 in the 38th over, the Aussies almost looked certain to win.

Victorian medium pacer Simon O'Donnell was the man-of-the-match award for his outstanding performance of four for 19 from 10 overs. Off-spinner Greg Matthews also bowled splendidly to take three of 32, while Dirk Wellman and Greg Ritchie were the top scorers in the Australian innings with 39 and 35 respectively.

In Pretoria, Australian rebels drew their three-day match against Northern Transvaal.

SCORES: N.J. 315 for eight declared and 217 for nine declared. Australia XI 281 for three declared and 219 for seven.

BRITISH SOCCER

Hammers' win adds problems

LONDON (AFP) - Tony Cottee's 23rd goal of the season kept West Ham's League Cup hopes alive, but increased their fixture problems, when he forced a quarter-final replay with Tottenham Hotspur at Upton Park next week.

The Hammers, lucky to be trailing only 1-0 to Clive Allen's 29th goal of the season after being outplayed by Spurs in the first-half, were revived by Cottee's equalizer three minutes after the break and now go to White Hart Lane for a second chance on Monday.

The East London side's fixtures are now

plunging. On Saturday, when most of the fourth round FA Cup ties are being played, they are at home to Orient in a third round replay.

If they win that match, they have to fit in a fourth round home tie against Sheffield United after Monday's League Cup replay - with the first leg of the League Cup semifinal, with Arsenal, scheduled for live television coverage the following Sunday.

Meanwhile Southampton needed a controversial 63rd minute penalty by Colin Clarke to sink Second Division Shrewsbury and set up a two-legged semifinal with Liverpool.

Shrewsbury protested that a Southampton hand had touched the ball when Gary Hackett was penalized, but Clarke stepped up to fire in his 18th goal of the season.

Scottish League Premier Division: Clydebank 0, Aberdeen 5; Motherwell 2, Dundee 0; St. Mirren 1, Falkirk 0.

SCOREBOARD

TENNIS - Results in the New South Wales Open tennis championship yesterday:

Anders Jarryd (Sweden) beat Ken Flach (U.S.) 6-3, 6-7, 6-3; Wally Masur (Australia) beat Leonardo Lavalle (Mexico) 6-3, 4-6, 6-4; Brad Drewett (Australia) beat Danie Visser (South Africa) 6-4, 6-4; Nduka Oziegur (Nigeria) beat Bob Green (U.S.) 3-6, 6-4, 6-2; Bill Scanlon (U.S.) beat John Fitzgerald (Australia) 7-5, 7-5; Mark Kratzmann (Australia) beat Jay Lapidus (U.S.) 4-6, 7-5, 6-0.

SPORTOTO FORECAST

Single	Permutation
Beersheva v. Yavne	
Hap. K. Sarav. Mac. Joffa	
Hap. TA v. Hap. Lod	1X
Mac. TA v. Bet. Natanya	1X
Mac. Netanya v. Bet. TA	1X
Mac. TA v. Bet. Jlm	2X
Bnei Yehuda v. Mac. Haifa	1X
Hap. Hadera v. Hap. Acre	1X
Hap. Jlm v. Hap. Yehud	1X
Tiberias v. Bet. Ramat	1X
Hap. Haifa v. Hap. Bet Shean	1X
R. Amudim v. Hap. RG	1X
Sh. Arayim v. Dimona	1X

TENNIS

Chrissie's last fling

NEW YORK (AFP) - Chris Evert-Lloyd, the most successful woman tennis player of the Open era, will cut down her tournament appearances after this year, she says.

Evert-Lloyd, now 32, has been suffering recently from a recurrent knee injury and said that 1987 would be her last full year on the professional circuit.

She added, however, that she would continue to play the important tournaments, particularly the four Grand Slam events - Wimbledon, the U.S. Open, the French Open and the Australian Open.

Before flying to Japan to compete in an exhibition tournament, Evert-Lloyd said: "I would be very, very surprised if I play past this year. The work is very hard now."

Since 1974, Evert-Lloyd has won a total of 1,143 matches and 148 tournaments, making her the most successful woman player since the start of the Open era of tennis in 1968.

Nastase critical

LOS ANGELES (Reuters) - The Nastase, the volatile Romanian tennis player who delighted fans for over a decade, criticizes today's young tennis players as lazy and mercenary.

"The players today are just in it for the money," Nastase, 40, told reporters after losing a friendly match 6-4, 6-2 to American Vitas Gerulaitis.

"The kids today are not in love with the game," said the original bad boy of tennis, who earned the nickname "Nasty" for his tantrums and playful fights with fans and officials.

"They complain about having to play in 14 tournaments a year. That's nothing. We used to play 25 or more," he said.

Players on the circuit are required by the Men's Professional Tennis Council to play in at least 14 tournaments a year. Officials want to increase that number to 16, a move some of the top players have protested.

Nastase said today's top players only enter the big money tournaments. "These guys make millions, but you never see a big name in a small tournament," he said.

NBA - Tuesday night results: Hawks 114, Pacers 98; 76ers 108, Knicks 103; Celtics 105, Bulls 97; Spurs 118, Pistons 107; Bulls 118, Mavericks 113; Jazz 92, Rockets 88; Lakers 107, Trail Blazers 100; Bucks 119, Warriors 115; Kings 118, Nets 115.

Anti-Semitism and Ukrainians

BY HIS OWN admission, Dr. Shimon Redlich makes a living from raising topics that others find impossible to discuss. Redlich, the director of Ben-Gurion University's Rabb Centre for Holocaust and Redemption Studies, has the unenviable distinction of being a world authority on a subject about which even academics often know little, spout half-truths, and display little inclination to know more; the long, difficult and myth-shrouded relationship between the Jews and the people of the Ukraine.

Emotions run so high on both sides that it is almost impossible to discuss the relevant issues with either Jew or Ukrainian. Redlich has written, "Whereas most Ukrainians refuse to face the tragic facts of history - particularly Ukrainian behaviour towards the Jews during the Holocaust - Jews tend to see an anti-Semite in every Ukrainian."

During a break in a conference he organized on the history of Ukrainian-Jewish relations, Redlich recalled a relative's reaction to a radio appearance in which Redlich - himself a Holocaust survivor born in the Ukraine - described the wartime efforts of individual Ukrainians to save Jews.

"After the programme, my aunt called up from Tel Aviv and gave me hell. 'How dare you get on the radio and say good things about the Ukrainian?' That is the general attitude among well-educated people as well as those less well-educated."

As for the Ukrainians, Redlich notes, emotional blinkers are also firmly in place. In 1984, when Redlich was a visiting scholar at Harvard University's Ukrainian Research Institute, he found his Ukrainian colleagues unwilling to discuss Ukrainian mistreatment of Jews. "This is considered the premier institution of Ukrainian research, and they didn't

want to hear about it," he said.

Regarding the commonly-held view that during the Second World War the Ukrainians were worse than the Nazis, Redlich agreed that concerning spontaneous killings and pogrom-like actions, the Ukrainians were indeed worse. "But the erection of the machinery and ideology of death were products of Hitler and Nazi Germany. There is an entrenched tradition of anti-Semitism in the Ukraine, and they assisted the Nazis with perhaps more emotional fervour than the Germans showed, but without Germany they would never have dreamt of the killing of such massive numbers of Jews."

DESPITE, OR PERHAPS because of, the passage of four decades since the war's end, Redlich believes that serious interest in the Holocaust is increasing among Israeli youth. If his classes are any indication, interest among young people has broadened to include Arabs as well.

Two years ago, 15 of the 40 students enrolled in a Redlich course on the Holocaust were Arabs. After one lecture, Redlich recalls, "two Jewish students - older women - reported their discomfort about discussing antisemitism in the presence of the Arab students."

"Later I sounded out the Arab students on the possibility of opening up the issue of their presence in a general discussion. They said, 'Yes, by all means,' because it was important to them to demonstrate that they were not there either to make fun of us nor to make some sort of political use of the subject."

Redlich considers the Centre for Holocaust Studies a part of the trend to re-examine European Jewry's

wartime experience in the light of new findings and new directions of historical research. With its sponsorship of academic work and extensive gathering of oral histories from Beersheba's survivor population (a current project is the compilation of recollections from the many local residents who served in the Red Army during the War), a primary focus of the centre is Holocaust instruction on a community level.

Public lectures are held regularly, culminating in an annual Holocaust and Heroism Day panel discussion. Authors Amos Oz and Moshe Shamir are expected to participate in this year's event, a discussion of Israel's reaction to the Holocaust.

In Redlich's view, Israeli society is only now reaching the level of maturity required to face the reality of the Holocaust. The turning point, he feels, was the Yom Kippur War. After 1948 "There was a stigma attached to the Holocaust survivor. Israeli educators talked in terms of the sabra being the antithesis of the Diaspora Jew, and the two images - the first a victim, the second a hero - could not be reconciled. Today, when we simply know more about the events that took place, we see that not everybody there was a victim, and not everybody here is a hero."

"I think that the wars, especially the Yom Kippur War, have had much to do with the readiness of Israeli youth to examine the Holocaust, because we have seen, very clearly, that we, too are vulnerable, that we are not all invincible, not all heroes."

Redlich gathers his papers and prepares for yet another lecture on the Ukrainians and the Jews. This time the audience will be largely Jewish, the topic a Ukrainian cleric who saved 150 Jews during the war. He does not expect unanimous praise, but if his audience responds with unease and even anger, it is unlikely to deter him from his chosen field. His interest, as it develops, is more than merely academic. Redlich owes his life, and the lives of the few members of his family who survived the war, to the courage of the Ukrainian townspeople who sheltered and fed them until the seemingly interminable Nazi occupation of his hometown came to an end.

The call for solidarity

Alexander Zvielli

"OUR BROTHERS in Eastern Europe, unite!" This is the recent message now being spread by the Polish clandestine press. Such an appeal is expected to gather momentum in anticipation of Pope John Paul II's third visit to Poland planned for next June. Poles feel that their Catholic Pope deserves a special gift and wish to present him with a united, all-embracing Eastern European Catholic front.

The Polish underground press believes that this will be the best time to end old quarrels, enmities and jealousies and to turn over a new page in Eastern European history. They strive for contacts and an understanding between themselves and all those Lithuanians, Byelorussians, Ukrainians, Czechs, Hungarians and Eastern Germans who would be willing to act together.

This matter was widely discussed in numerous publications written following the 20th anniversary of the Hungarian uprising. A claim was made that it was the Sinai campaign of 1956 and the Israeli, British and French collusion which upset the cards and allowed for the Soviet armed intervention.

The Polish underground newspaper *Mazowiec* recently published an interview with Gyorgy Krasso - one of the leaders of the Hungarian underground. Krasso, asked whether the uprising had stood any chance of success, claimed that by

1955 Russians had already withdrawn their forces from Austria. Krushchev, he recalls, admitted Stalinist mistakes in dealing with Eastern Europe. He authorized negotiations to work for the withdrawal of his military "advisers." But the sudden outbreak and popularity of Hungarian revolt caught him unawares. Fortunately for Krushchev, says Krasso, the Anglo-French collusion in Egypt freed his hands.

The Hungarian revolt cost over 20,000 lives. Thousands of refugees fled across the Austrian border. It was followed by widespread arrests and executions. Both the Hungarian and Czechoslovak uprisings indicated that no nation within the Soviet bloc will ever be able to withstand Soviet pressure on its own.

Thus Poles encourage their historical enemies, the East Germans to join forces. They recall the 1965 pastoral letter written by Polish bishops to their East German brothers appealing for an end to old mutual recriminations. They have appealed to the Lithuanians, with whom they have a common saint, St. Kazimir, for a renunciation of their territorial claims. They recall that many Polish kings were of a Lithuanian descent and that Poland's great poet, Adam Mickiewicz, was born in Byelorussia and that he regarded Lithuania as his rightful mother.

Poles wish to be friendly with

Byelorussians and Ukrainians with whom they share a millennium of obedience to the Christian faith. Neighbourly love has suddenly become the order of the day.

IT SEEMS quite obvious that General Jaruzelski's success in curbing Solidarity and the subsequent general frustration has influenced dissident Poles and made them search for new horizons. The recent Polish government amnesty indicates the underground plight. Solidarity is now fighting a very difficult struggle for its existence. But is this search for new partners likely to help?

It is unlikely for right now each of Poland's neighbours is currently engaged in a bitter struggle for its own economic and political survival. The appeal is apt to fall on deaf ears while the Soviet domination will continue to go unchallenged.

But Poles need arguments to strengthen their own vision. The clandestine press believes that new technology and a changed social structure might eventually weaken the grip of Soviet power. Sooner or later the Soviet Union will have to agree to some far-reaching changes in Eastern Europe.

It will be at such a time that a united stand by all of these lands, bound by a common Christian tradition will be of supreme significance. But whether the pope, who will be overjoyed at his compatriots "gift" and intentions, or whether the Vatican prefers not to endanger its excellent Soviet ties, still remains to be seen.

BEZEQ

The Israel Telecommunication Corp. Ltd.

TODAY, THURSDAY, January 29, 1987, at 6.00 a.m.

A NEW DIALLING AREA - 06

Comes into operation

The area is an amalgamation of these dialling areas:

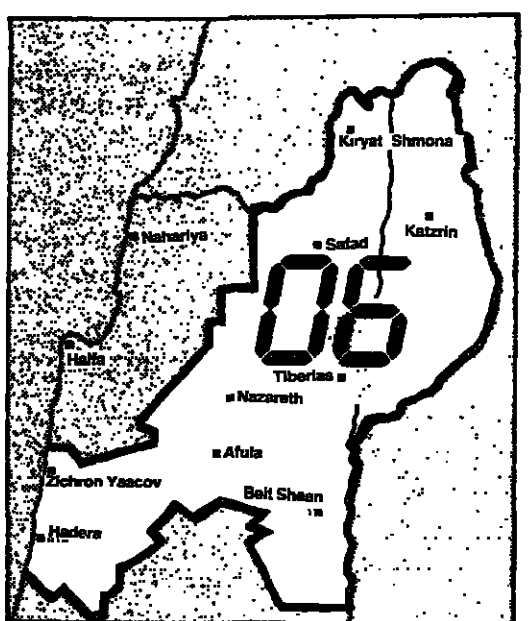
Hadera (063)
Afula (065)
Tiberias (067)
Safad (069)

Numbers will have 6 digits

For numbers of subscribers in the above areas, the 3rd digit of the former area code becomes the first digit of the subscriber's number, which thus has 6 digits. The other digits of subscriber's numbers are unchanged.

Example: The number 063-38022 becomes 06-338022

Dialling between subscribers in the new area is accomplished without dialling the area code.



All connections within the new area are accomplished without dialling the area code - just dial the subscriber's new number (6 digits). Connections from all other dialling areas in Israel to the "06" area are made by dialling the same digits as before the change.

Recorded Instructions

Bezeq will provide recorded instructions on the new dialling arrangements, for subscribers in the "06" area. For technical reasons, this service will not be available to subscribers whose number, before the change, began with 3, 5, 7 or 9.

If you dial the number of a subscriber in the new area, as it was before the change, you will not obtain any response. If you remember that the new numbers are of 6 digits, and that you must first dial the digit added at the beginning of the number, you will not have any difficulty.

No changes have been made in the tariff for calls.

No changes have been made in the tariff for calls - not for calls inside the new area, nor for calls between the new area and subscribers outside it.

1986 – a bumper year for local advertisers

By LEA LEVAVI
TEL AVIV. – A record \$309 million was spent on local advertising in 1986, leaders of the Advertisers Association announced yesterday at their annual press conference.

The 1986 expenditure represents a 50 per cent increase over 1985, and a 25 per cent increase over 1983, the year Yoram Aridor's "correct economics" spurred a spending spree.

Branislav Thau, general manager of the Advertisers Association, said part of the increase was due to a significant rise in advertising prices in February 1986 when price controls were lifted after a freeze of over a year. However, he added, the main factor was greater use of advertising to try to attract customers in a market which was not growing and where the only way to increase one's

share was to persuade consumers that one's product or service was better than the competitor's.

Because of the limitations on TV advertising here, the print media (dailies, weeklies and monthlies) still get 70 per cent of the advertising pie, Thau said. The dailies grossed \$132 million in advertising revenue in 1986, with 30 out of every \$100 going to the afternoon papers and three dollars out of every hundred going to *The Jerusalem Post*.

Benny Gaon, chairman of the association, said *Yedioth Ahronot* sold over 232,000 papers on weekdays and about double that on weekends. *Ma'ariv* sells 110,000 on weekdays and 215,000 on weekends. No circulation figures were available for *The Post*, since no audit has been carried out in two years.

Gaon said the Association estimates that advertising expenditures for 1987 will be around \$330m. and if the second TV channel is operating by 1988, advertising expenditure that year will top \$400m.

Arrangements have been made to compensate the newspapers for losses in advertising revenue caused by the new TV competition should the channel get off the ground.

The Advertisers Association, which has 270 member firms who handle 80 per cent of the country's commercial advertising, is celebrating its 25th anniversary this year. The association runs an advertising school in cooperation with Hebrew University and monitors radio, TV, movie and outdoor advertising to make sure advertisers get what they pay for.



Tsur chosen to head Zim

By YA'ACOV FRIEDLER
Jerusalem Post Reporter
HAIFA. – The board of directors of the Zim shipping company yesterday unanimously elected Zvi Tsur as its new chairman. The position has been vacant since the resignation 18 months ago of Haim Stessel, who is now chairman of the Tel Aviv Stock Exchange.

Tsur, who has been serving for some months as deputy for Shaul Eisenberg, chairman of the Israel Corporation, was appointed to the Zim board by the corporation a year ago.

The Zim spokesman announced that the Israel Corporation, which holds 50 per cent of the company's shares and the government, which holds 40 per cent, have both approved Tsur's appointment, as required by Zim's constitution. The Histadrut holds the remaining 10 per cent.

Observers see the appointment as another indication that the Israel Corporation has no intention of abandoning Zim, whose finances are now good despite the continuing shipping slump.

Tsur was born in Russia, in 1923, came to this country as a child and joined the army in the early years of the state, starting a military career which culminated in his serving as chief of general staff from 1961-1964. He was later appointed general manager of the Mekorot company and served in the post for four years until he was made defence minister Moshe Dayan's special assistant. In 1974 he joined the Clal concern as general manager.

DAT's all folks

TOKYO (Reuters). – Japanese electronics companies are going to start selling a controversial high-technology audio product – the digital audio tape (DAT) player – in Japan despite objections from music companies and makers of compact discs (CDs).

"DATs are likely to go on sale in March or April," Heitaro Nakajima, president of the Aiwa company, a DAT maker, said this week.

The music and CD industries have opposed DAT, which combines the high-quality sound of compact disc with the home recording capability of a cassette recorder.

In December, the Japanese rejected recording industry demands that "copyright chips," which prevent copying at home, be inserted into the players by law.

The Japanese industry has agreed that DAT machines should have copyright chips, an Aiwa spokesman said, but added that the chips the Japanese makers planned to insert would still permit copying through a non-digital signal, with minimal loss of sound quality.

Over 6,000 vehicles in dealers' stock when devaluation struck

By JONATHAN KARP
Israel's car importers are holding 6,552 small cars and trucks which were already in the country at the time of the devaluation, a Transport Ministry official said Monday night.

The source said that on Monday eight inspectors from the ministry's Vehicles Division finished tabulating figures supplied by the importers at the ministry's request. The total included cars with engines of up to 1600cc and trucks with gross weight of up to 4.5 tons, whose prices are still regulated by the government, he said.

Most of the vehicles are in bonded warehouses belonging to Customs, he said. In several instances involving cars in the country at the time of the devaluation, the importers either did not deliver the cars to customers or "demanded prices higher than those which were set on January 1," he added.

The government demanded the

tally of the importers' car stocks to ensure that the importers sell cars in their possession before the devaluation at the prevailing government-controlled prices. But, the source said, the government could not take legal action unless the High Court of Justice rejects a petition submitted last Tuesday by the importers against the Transport, Finance and Industry ministries.

In their petition, the importers argued that the new prices for cars with engines of up to 1600cc, due to take effect on February 1, were not high enough, taking into account the recent 10 per cent devaluation. The government decided to raise prices by seven per cent, but foreign currencies have appreciated by as much as 18 per cent.

Furthermore, the importers claim that cars in bonded warehouses are not part of their stock and thus are not bound by the old prices set by the government.

THE TAX BURDEN/Jeff Broide

The VAT void

As ubiquitous and unavoidable as Value Added Tax may seem at times, certain transactions are exempt from VAT, while for others, the tax is refundable.

VAT exempt transactions

- Residential rentals for a period of less than 10 years, excluding rental for purposes of boarding and entertainment at a hotel.
- Partial or total sale of a building approved for rental (under the Law for the Encouragement of Capital Investments), on condition that the application for approval was made in 1979 or thereafter, that the building was rented for a period of at least eight years, and that there was compliance with the other legal terms stipulated under the approval.
- Ownership transfer of leasehold property under the Protected Tenant law by way of key-money, lease or sale.
- Transactions of a small dealer whose sales turnover is less than NIS 5,903 per annum (1985 – NIS 2,465.50).
- Goods imported by a person who is exempt from Customs duty on such goods.
- The return of previously exported goods which underwent no change or improvement overseas except under supplier's guarantee and at no cost to the original exporter.
- Imported gifts provided they are exempt from Customs duty.
- Original works of art which are imported for a museum or educational institution provided they are exempt from Customs duty.
- Import or export of unset diamonds and precious stones which are exempt from Customs duty and any transaction involving such goods.
- Imports which are exempt from import duties under various treaties, provided that all the terms of such treaties are fulfilled.
- Imported books and manuscripts which are exempt from Customs duty, and which are to be donated to an educational or cultural institution. (The date of publication must be at least 20 years prior to the import date; the institution must declare such books will remain under its control; and the exemption is for not more than two copies of any book.)
- Goods imported for foreign representatives or agencies where a similar exemption has been granted from Customs duty.

Where the VAT rate applicable is nil, the dealers may claim a refund on the VAT paid on expenses. The law

treats him like any other dealer liable to VAT and not as it does a VAT-exempt dealer.

Transactions and dealings which are liable to a nil VAT rate include:

- Export of goods, excluding the import and export of unset diamonds and precious stones (which are also exempt from Customs duty), sale of intangible assets abroad and services rendered overseas, providing transaction is in foreign currency which is deposited in a commercial bank in Israel.
- Services rendered overseas by a person whose main place of business is in Israel, providing transaction is in foreign currency (commercial bank deposit, etc.).
- Accommodation, meals, entertainment and other related services provided by a hotel to foreign tourists, tourist car-rental services and other means of tourist transportation. Hotels must maintain suitable registers with the address and passport number of each tourist.
- Sale of goods to a person entitled to exemption from purchase tax on entry into Israel (e.g. new immigrants, returning residents in some cases, etc.).
- Transportation of cargo by air or sea to or from Israel.
- Sale or rental of air or shipping vessels used for transporting passengers or cargo which are exempt from customs import duty.
- Fruit or vegetables which have not undergone any processing. (Cleaning, sorting, packing, transporting, storing and refrigeration are not construed as "processing.")
- Sale of gasoline and oil in Israel to representatives of a foreign state (intended for motor vehicles or home-heating, provided such country grants similar rights to Israeli representatives) and sale to an international organization of which Israel is a member. Such gasoline or oil shall only be sold for coupons issued by the tax authorities.
- Sale of goods from any bonded warehouse, payment for which is made in foreign currency, deposited in an authorized commercial bank and credited to the warehouse owner, provided the goods are sold to buyers leaving Israel or supplied to aircraft or ships.
- Income earned from services rendered to non-residents – in relation to assets in Israel – for the purpose of exporting goods and providing goods are exported.

This is the second of two parts. The first part appeared on January 22.

Jeff Broide is a certified public accountant. Questions may be addressed to him c/o The Jerusalem Post.

Rafael relocation 'ill-advised'

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. – Workers at Rafael, the armaments development authority, have come out against the plant's relocation to the \$85 million Leshem complex, in the Segav area of Lower Galilee, calling the complex a "white elephant."

Representatives of the authority's research staff committee told a press conference on Monday that the relocation from the Haifa area would drain Rafael's resources, hurt its competitiveness, and lead to the loss of domestic and export orders, to the curtailment of research projects and to more dismissals.

They noted that over the past year Rafael has laid off several hundred workers and was to lay off another 300 by the spring. But these dismissals, they added, were unconnected with the Leshem transfer costs.

The committee has ordered research staff to refuse to move if management orders them to do so. Management has filed suit in the labour court in the matter and the case is to be heard tomorrow.

The committee called on management to "admit the folly" of the relocation "at this time of cut-backs" and to delay it until the economy improves.

Two units, one jointly owned with Tadiran, have already been moved to Leshem, and the transfer of a third unit has been scheduled. With the relocation of the latter unit, Leshem will house 20 per cent of Rafael's operations.

The research staff committee asked management a year ago for transfer cost estimates. But as these were never received, the committee made its own. These showed that the move would cost \$25m. plus \$6m. in annual costs. Labour costs, as a result, would rise by 20 per cent, pricing Rafael out of the market. This would lead to the loss of business and further lay-offs.

Management spokesman Noah Shahar described the committee's figures as "science fiction." The "real" figures, he told *The Jerusalem Post*, would not be published or revealed to the committee. He said they would be given only to the Defence Ministry, which had authorized the building of Leshem and Rafael's relocation.

Deal in the works to avert EC-U.S. trade war

BRUSSELS (Reuters). – European Community and U.S. negotiators have agreed in principle on a deal to end a dispute over farm exports to Spain that threatened to unleash a transatlantic trade war, community diplomats said yesterday.

They said the deal was reached during telephone contacts between the chief negotiators of both sides. But one problem that had still to be resolved before tomorrow's deadline for a settlement centred on the U.S. demand that the deal guarantee U.S. exporters access for feed grain sales be short-term.

The community was insisting on a longer-term deal for up to four years, the diplomats said.

The officials could not immediately reveal the contents of the agreement but others said it was likely to allow non-EC producers to sell to the community about 2.4 million tonnes of maize and 200,000 tonnes of sorghum at reduced levy rates.

The duration of the deal was an important matter of principle for the community side.



Would the real Golan please stand up. (Brian Hendler)

Wineries bicker over use of Golan label

By SIMON LOUISON

TEL AVIV. – A dispute has broken out between two of Israel's wineries over the use of the name "Golan" with Ramat Hagolan Wineries threatening to seek court injunction barring Eliaz Wineries from distributing one of its wines.

At a press conference in Tel Aviv yesterday, Ramat Hagolan general manager Shimon Weiner said his firm would take legal action within 10 days to prevent Eliaz from distributing wine bearing labels with the name Golan and to force Eliaz to display its winery name more prominently.

Weiner says that until now, his company's reputation, rather than its sales, has been hurt. But if Eliaz persists in using the Golan label he will be sued for damages. The use of the same name by both companies confuses the public, he said. Because the Israeli wine-buying public is unsophisticated, everyone who buys a wine with the name Golan believes it comes from Ramat Hagolan Wineries.

Both wines came onto the market in November and retail for over NIS 10. Ramat Hagolan began using the

Golan label to distinguish the wine sold under that label from those it sells under the Yarden and Gamla labels. Ramat Hagolan applied for, and received, permission to use the Golan label from the government's trade bureau. Weiner says his firm was surprised to learn that Eliaz had also received approval for the name Chateau Golan for one of its wines.

Eliaz general manager Moshe Kotelitz said that every winery using grapes grown in the Golan was legally entitled to use the Golan name.

He said that Ramat Hagolan was not the owner of the Golan and had no monopoly on the use of the area's name.

Kotelitz said his company's name, in English, appeared in small letters on the label because the wine was for export to the U.S., where regulations required that the maker's name appear in letters 2mm. high. He rejected Weiner's allegation that his company was trying to hide the name of the winery to deceive purchasers. When the company makes labels, in Hebrew, for wines to be sold locally, he added, the name would appear in letters 4mm. high, as required by law.

Shahal offers J'lem Electric Co. deal

By BERNIE JOSEPHS

The Arab-owned Jerusalem District Electric Co. may be able to keep its concession for Arab East Jerusalem next year if it can quickly find a way to pay its debts, Energy Minister Moshe Shahal said yesterday.

The company – the biggest Arab-owned enterprise in East Jerusalem and the territories – owes the Israel Electric Corp. around NIS 28m. and has already agreed to give up its concessions in the capital's Jewish neighbourhoods.

At a meeting yesterday, Shahal reportedly told company officials that if within the next few weeks they can come up with a method of repaying the debt, he will reconsider allowing them to continue supplying Arab customers in East Jerusalem after the company's concession expires at the end of this year.

The future of the company has become a politically-charged issue over the past year with some Palestinians charging that the government is bent on closing it down.

CROSSWORD

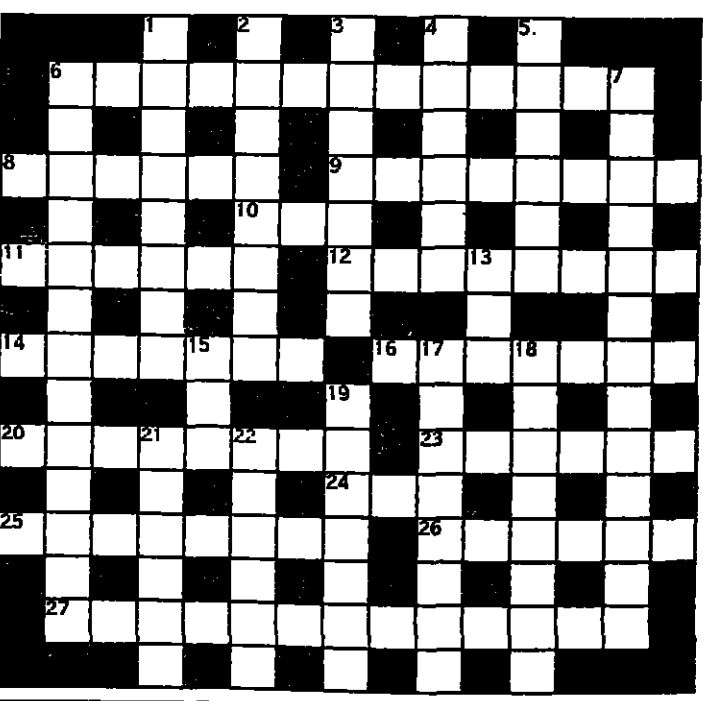
ACROSS

- 6 Kindly offer to listen to Heath (6,7)
- 8 Tenant makes an ill-spoken request to view (6)
- 9 Pastry table design (8)
- 10 A record peak (3)
- 11 A cobbler is apparently working after all (2,4)
- 12 Big fair certain to get publicity (8)
- 14 They come from remote space initially (7)
- 16 Breezy letters of admiration? (3,4)
- 20 Dramatic opening-of-parliament? (5,3)
- 23 Outcome of partitioning Ulster (6)
- 24 Patriotic heart of old Brazil (3)
- 25 Young Stanley's optimistic carriage (8)
- 26 Part of speech given by German and translated into German (6)
- 27 Lessons in draughtsmanship for the privileged (6,7)

DOWN

- 1 Flustered while visiting a sovereign country (2,1,5)
- 2 He is undoubtedly a gossip, so watch! (8)
- 3 One who buys, or one who "sells"? (7)
- 4 Invent cosmetics (4-2)
- 5 Begins by putting pastry into large vessel (6)
- 6 Nun acting as operational overseer? (7,6)
- 7 Is soil found in barren areas and isolated spots on the map? (6,7)
- 13 Admit to being in possession (5)
- 15 Frequently no distance at all (5)
- 17 A tattered rag more used for rapid communication (8)
- 18 Moisture-laden atmosphere and corrosion create suspicion (8)
- 19 Extend a term of imprisonment (7)
- 21 One unmarried (6)
- 22 About all a gunner needs to fire (6)

SCRIBBLE PAD



Yesterday's Solution

ALCATRAZ GAUCHO
B A O N D O V
D O M I N A T E B R I O L E
U B C H E R R
C H E V A L I E R N E I G H
T R U L I A V A
A D B A I L G A L L E O N
A D R O P O U T M I N T
E O X A E B A
N O R M A C E D A R W O O D
O B L K U A W A
I R E N I C A S P I R I N G
D L E A L N E
S P L A S H I N N S I G N S

ACROSS: 1 Region, 4 Spark, 8 Bevel, 9 Hauteur, 10 Fatuous, 11 Edit, 12 Erg, 14 Mere, 15 Rite, 18 Rip, 21 Easy, 22 Redress, 25 Watteau, 26 Erode, 27 Tarry, 28 Stroud. DOWN: 1 Rebuff, 2 Gavotte, 3 Onlooker, 4 Sour, 5 Amend, 6 Karate, 7 Chase, 13 Gradient, 16 Tremolo, 17 Peewit, 19 Proud, 20 Ascend, 22 Sitar, 24 Deny.

QUICK CROSSWORD

ACROSS

- 1 Parrot
- 4 Parasites
- 10 Playhouse
- 11 Store
- 12 Engine
- 13 War carriage
- 15 Grey-colour
- 17 Blemish
- 19 Canine skin disease
- 22 Relation
- 23 Crosswise
- 27 Rabbit pen
- 29 English river
- 30 Built up
- 31 Facial hair
- 32 South England area

DOWN

- 2 Unconcealed
- 3 Side branch
- 5 Asian country
- 6 English poet
- 7 Wicket
- 8 Magistrature
- 9 Declare
- 14 Religious song
- 16 Cosmic sun
- 18 Accomplish
- 20 Sportsman
- 21 Social class
- 23 Speak
- 24 Upbraid
- 26 Church table
- 28 Aggregate

הכרזה האחרונה

Leumi board blasts Bruno

By PINHAS LANDAU
Post Finance Reporter

Bank Leumi's new board of directors yesterday sharply criticized Bruno for the tone and publication of his response to the Hurwitz-Zadok report, published on Tuesday.

The board accepted the report's recommendations and directed the bank's senior legal adviser, Ze'ev Sher, to notify ex-chairman Ernest Japhet that the bank was demanding the repayment of most of the \$4.4 million severance payment awarded him, and to obtain his response.

Attorney Haim Zadok's legal opinion, attached to the Hurwitz-Zadok report, found the payment to be based on a contract of dubious legal validity, and suggested that the severance and pension pay be brought in line with a salary that would have been "reasonable and suitable," instead of the \$800,000 and \$1m. Japhet received in salary and bonuses in 1985 and 1986.

The board also empowered its chairman, Dr. Meir Heth, to provide the Bank of Israel further details requested by Bruno regarding the contracts and actual payments made to senior Leumi executives. It further empowered Heth to express its displeasure at the phrasing of Bruno's letter to him, containing the central bank's formal response to the report, and the manner in which it was made public, before the board had actually received it.

Bruno ordered the setting up of the Hurwitz-Zadok committee earlier this month, as the extent of the "Leumigate" scandal broadened. He received the committee's report on Monday night, but asked Leumi to refrain from publishing it until he had had time to study it.

The report was therefore released only at noon on Tuesday. The Bank of Israel's first formal reaction was released close to midnight Tuesday night, and Leumi's directors first heard it on the morning radio news bulletin. The letter amounts to a partial repudiation of the report, pointing out that it highlights the improprieties inherent in the decision-making process at Leumi concerning Japhet's pay. It demands further data on the pay of Leumi's twenty-three most senior officers, who are paid by personal contract, noting that the report has errors of omission in this respect.

Bruno also noted that Zadok's opinion renders Japhet's contract legally unfounded and he requested the board to act on that basis. This is regarded as an instruction to take Japhet to court, while Leumi prefers to try arbitration first, since this could be much shorter.

Perhaps most significantly, Bruno added that "we cannot refrain from pointing out that the criterion suggested by the committee regarding wage levels for senior executives," namely "the accepted salary at the upper echelons of salaries in the private sector" is not acceptable to us.

Leumi's board believes that if it pays its senior executives on a lower basis, many of them will leave. In the opinion of outside observers, this dispute between Leumi and the central bank could well worsen in the coming days and weeks. They point to pressure on Bruno and Examiners of Banks Galia Maor, from the Knesset and elsewhere, as the background to the haste and aggressive manner in which the Bank of Israel reacted to the Hurwitz-Zadok report.

Yeshivot get \$142m. in donations

By HAIM SHAPIRO

A windfall of over \$142 million is being allocated to religious institutions, mostly to "Lithuanian yeshivot" identified with Rabbi Eliezer Schach, the spiritual mentor of former Interior Minister Yitzhak Peretz's Shas party, according to the ultra-Orthodox weekly *Erev Shabbat*, which appears today.

The money comes in two parts, from a "tithe" of the Reichmann brothers, Toronto who own a major North American construction company, and from the estate of the late Caroline Gruss, wife of a New York financier, who passed away a fortnight ago.

According to *Erev Shabbat*, the Reichmann brothers are giving \$100m., or 10 per cent of their profit from a major development project involving reclamation of an underwater area in south Manhattan and the erection of a complex which is to include offices, luxury flats and a shopping centre.

The sum is to be divided into two parts, of which 40 per cent is being allocated to institutions named by the Canadian family. The remaining 60 per cent is to be divided according to a decision of a committee of five rabbis, all considered close to Rabbi Schach.

The committee began accepting requests this week and already hundreds of heads of yeshivot and directors of religious institutions have appeared to ask for funds.

The Caroline Gruss bequest is also \$100m., but \$58m. of that is to go towards general institutions. Another \$42m., however, is to be given to yeshivot and Tora institutions. According to the will, Rabbi Schach was to act as trustee, but as he was unwilling to do so, this responsibility is to be entrusted to three rabbis, all closely associated with him.

Nissim: A rare opportunity to heal the economy

New budget to bring big change

By AVI TEMKIN
Post Economic Reporter

The budget for fiscal year 1987/88 will introduce some fundamental changes in the economy. It will be the first budget in years to be accompanied by a comprehensive economic policy, Finance Minister Moshe Nissim said yesterday. He said the budget offers the country "a rare opportunity to heal its economy."

The budget, to be tabled today by Nissim, combines the reductions in income tax rates, especially on higher incomes, with the planned changes in the capital market. On the spending side the budget is much less innovative. The greatest change is the introduction of user charges in the education system. In some areas, like public sector employment, the budget envisages a continuation of the trend of moderate and slight cuts in public sector employment.

The tax changes that will take effect in April 1 cover the three main areas of personal taxation, corporate taxation and taxes on the wage bill. The maximum marginal tax rate will fall from 60 per cent to 48 per cent for most tax payers. In addition there will be a 10 per cent surtax on incomes above NIS 9,000 a month.

Corporate taxation is also to undergo major changes. The tax on undistributed profits will be uniformly set at 45 per cent, thus cancelling the gap between industry and services. The latter are currently charged a tax of 60 per cent. Employers' tax, which affects mostly

firms in the services sector, was already reduced from 7 to 4 per cent some weeks ago.

Most of these tax changes will benefit high income groups. Thus, the taxes paid by some 60,000 company managers will drop by some NIS 200m.

The cabinet had originally put a NIS 250 million ceiling on cutting tax rates. That figure is now NIS 675m. To offset the gap, the state Revenue Administration included in its calculation a large increase in revenue from fees and licenses.

Employed and self-employed will also enjoy a further reduction in payments to the National Insurance Institute for their employees. These payments will reach some 8 per cent of the wage bill, compared to 15 per cent in the first half of 1986, and some 10 per cent in the second half of the year. This will further reduce unit labour costs, and favour profitability.

One of the main innovations in the budget for the coming fiscal year is the inclusion of the revenue lost to the Treasury from existing tax exemptions. According to the ministry's calculations the "exemptions budget" will total over NIS 2.5b.

This includes sums totalling some NIS 1.9b. from exemptions and rebates on income tax and NIS 700 million from exemptions and rebates on purchase taxes, levies and Value Added Tax. The Treasury had planned to cancel part of these exemptions but failed, due to stiff opposi-

tion from special interest groups led by the Histadrut.

The 1987/88 budget includes the Treasury's plans to start reducing its involvement in the capital market. This will be accomplished by a deliberate effort not to reschedule all the internal debt. The sums that will be freed, the ministry hopes, will be eventually invested in bonds issued by private firms.

Maturing debt will total some NIS 9b. in 1987/88. This will include the first part of the bank shares arrangement, that will total some NIS 1.7b. From these sums the government will reschedule debts totalling some NIS 7.6b, leaving close to NIS 1.4b. for the private sector to raise.

The Treasury hopes that as a result of this decision long-term interest rates will continue. This will be the result not only of lowering borrowing requirements of the public sector, but also of the changes in corporate taxation, which will encourage firms to accumulate profits and to improve their financial structure. Firms with larger resources will be in less need of borrowing, and this will exercise a downward pressure on interest rates.

On the spending side, the burden will fall, as it always does in recent years, on the shoulders of the social services. The Health Budget will be cut by some NIS 30m., but the measures to implement this have still to be agreed between the Treasury and the Health Ministry. The Finance Ministry wants user charges in health, which the Health Ministry stiffly opposes.

This has left the Education Ministry and the National Insurance allowances as the main sources for savings in the social services. In the education services an education fee ranging from NIS 100 to NIS 410 per year will be imposed. In addition, the Education Ministry will have to find resources from its own budget to finance the absorption of part of the new children reaching school age. On top of this the Finance Ministry wants tuition in universities raised.

The savings in the budget will mean that allotments for the first child will not be paid this year, and that the allotments on second and third children in families of up to three children will be taxed. These measures are expected to bring in NIS 35 million.

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Divided they sit

HAS THE national unity government reached the end of its road?

The stormy experience of its nearly two-and-a-half years in office is a warning against drawing any such hasty conclusions from signs of friction between parties that were not exactly born for coalition. But the latest rift between the Likud and the Alignment seems to bear the marks not only of basic irreconcilability, but of intention — this time on the Likud's part — to break up the unnatural marriage conceived in an electoral stalemate.

The complaint filed by Herut's Young Guard with the police over charges of corruption levelled by financier David Balas against Labour, was evidently their own independent initiative. Herut's top leadership is said to be rather unhappy with it, and for good reason.

Even if it did not involve the allegation — by a man who is himself now on trial for fraud — that he had given a "gold watch" to Foreign Minister Shimon Peres, the spectacle of one coalition party jumping on the leader of another — during his absence from the country — would have been sufficient to exacerbate relations.

Prime Minister Yitzhak Shamir for one must also be well aware that, by making a huge fuss about the \$600,000 contributed by Mr. Balas to Labour's campaign kitty in 1984, his younger colleagues might be focusing attention again on a similar donation made by West Bank land dealer Shmuel Einav to the Likud. When brought to trial for bribery with intent to procure sale permits and building licences, Mr. Einav's defence was that the money had been solicited by Mr. Shamir himself in his office, as an ostensible campaign gift.

Taking the stand at Mr. Einav's trial, Mr. Shamir had a lapse of memory about the details.

Memory does tend to play tricks, of course. In the Knesset yesterday morning the premier had no difficulty recalling that the government had never endorsed the idea of an international conference as an accompaniment to Israel-Arab peace negotiations, in fact had never even discussed it. There had never been a discussion of the issue in the Knesset either, Mr. Shamir clearly remembered.

Mr. Shamir was replying to a question by Tehiya's Geula Cohen, which had been meant to underscore the obvious discrepancy between Mr. Peres's constant reaffirmation, not least during his barely-ended European tour, of Israel's commitment to the idea of the conference, and Mr. Shamir's constantly reiterated denial that it was government policy. Mr. Cohen also invited a clarification on the issue of further settlement in the territories: was it to be frozen, as Mr. Peres had indicated, or was it not? Mr. Shamir assured Ms. Cohen that it was not.

It was, again, insulting enough for the premier to make his statement contradicting the foreign minister without even waiting a few hours for Mr. Peres to come home. But the premier's evident assumption that it was perfectly all right for the government to speak in forked tongues on a major issue is simply unacceptable. So, however, is also Mr. Peres's thesis, which he repeated on return to Jerusalem yesterday afternoon, that a 13-year-old commitment to attend the Geneva conference is binding on the present government.

The old commitment is no longer binding. A decision today to attend an international conference on Middle East peace must be based on present policy considerations; it cannot be derived from any contractual obligation.

King Hussein's vitriolic anti-Israel speech to the Islamic summit in Kuwait this week — in which he did not even deign to mention his pet idea of an international conference — may have briefly removed it from the active agenda. But it will not be for long. In view of the continuing open disagreement between the prime minister and the vice premier — and the Alignment and the Likud — over an international conference, the government must make up its collective mind: whether to merely keep on prattling about peace while creating "facts on the ground" that are designed to scotch any hope for it, or to resort to the one instrumentality that might make peace at least possible.

A policy schizophrenia is built into the very structure of the national unity government. But a limit must be placed on it if the government is to survive. The antics of Herut's Young Guard may prove but a tempest in a teapot. But when working at cross purposes becomes standard operating procedure, the government is doomed.

SQUABBLE

(Continued from Page One)
Israel no longer has Jewish building workers. But how come governments in Europe and America are not ashamed of subsidizing farmers, while the Likud says it's taboo in Israel?

Aharon Harel: The Likud is mounting a political lynch campaign against Peres because they realize he is a first-class electoral asset for the Alignment.

Agriculture Minister Arye Nehamkin: I do not agree to the Likud demands for one single settlement more, until the existing settlements on the Golan Heights and in the Jordan Valley have their debt problem taken care of.

Haim Ramon: I do not understand how the Alignment can sit at the same coalition table as the Likud, when the Likud charges that hospital patients are left to die because the Treasury has taken money from health budgets to give to the kibbutzim.

Likud chairman Haim Kaufman, said that the Alignment was "putting on an artificial show, because it was nervous about having allegedly violated the election laws in 1984 by

accepting bribes from David Balas." Kaufmann said: "The Likud wants the national unity coalition to continue and does not seek early elections."

Minister without Portfolio Ezer Weizman: This national unity coalition has outlived its usefulness. I shall urge Peres and Defence Minister Yitzhak Rabin to plan out future moves, which will bring about the dissolution of the coalition.

Mordechai Gur: I fail to understand why Peres should volunteer to act as nursemaid for the government's economic policy when that policy goes against so many of our principles, especially in the fields of health, education and welfare.

Uzi Baram: The Likud wants to liquidate the kibbutzim and moshavim by economic squeeze tactics, because it does not tolerate their way of life politically, socially and ideologically.

Several members said that if the Likud did not stop darning on suspected swindler David Balas's charges that he gave election bribes to the Alignment, they would blow the whistle on the Likud with revelations about the Herut party's Tel Aviv fund.

UNIFIL

(Continued from Page One)
their sleeping quarters in the South Lebanese village of Tibnia early yesterday morning. Unifil sources reported.

They said the deliberate attempt by "unknown forces" to blow up the building, in which 18 soldiers were sleeping, was the most serious attack on Unifil troops since the inception of the force in 1978.

Two of the wounded soldiers were transferred to the forces' own hospital in Nakura, suffering from what were described as slight injuries. The other four received first

aid treatment on the spot.

The explosion caused extensive damage to the two-storey building, used as a billet by the Irish troops, whose battalion headquarters is nearby.

As of last night nobody had claimed responsibility for the attack.

The attack, coming hard on the heels of the death of two Irish Unifil soldiers in the past two months, is almost certain to raise further questions in Dublin about Ireland's continued contribution to Unifil.

No more suckers

Yosef Goell

THE BRUTAL strike of hospital custodial staffs is a sure sign that the last of the suckers (freierim in Hebrew) are about to disappear from the scene.

This should be a source of concern to our economic policy-makers. For whatever belt-tightening economic measures there have been in the past few years, all have been based on the assumption that there will always be suckers whose belts can be tightened *ad infinitum*, in contrast to the high-fliers at the other end of the economic scale who simply cannot be touched.

The strike of the hospital custodial staffs; the renewed unrest among the hospital nurses, whose leaders are threatening sanctions because they claim that the terms of the agreement which ended their strike are not being carried out; the unprecedented strike against threatened cuts in the education budget by enraged parents of schoolchildren, all signs that a budget-cutting strategy aimed primarily at the suckers, will not work any longer.

These events should all be seen on the background of the dramatic developments in the banking field. The public's attention has been rivetted to the scandal of one Ernest Japhet. That personal drama has served to arouse heightened sensitivity to the gaps that have been established between the general pay scales in different professions and lines of work. It is really true that a common bank clerk is worth that much more than a floor nurse, or even a custodial worker in a hospital? Or that a bank branch manager is really worth more than a high school principal, or a hospital department head, to mention just two egregious examples?

Those are problems that will continue to be the source of quite a bit of internal, perhaps class, struggle in the coming years. The problem I am raising here, however, is that the Treasury's attempts to carry out an essential policy of massive budget cutting has made these problems much worse and much more immediate. This is due to its chicken-hearted approach of cutting according to the principle of the weakest minister and the supposedly least dangerous pressure group, rather than cutting where the heads of the Treasury and of its budget bureau know the cutting should be done. Well, that approach simply won't wash much longer.

LET's take a short list of just some of the areas which all the budget-cutters of recent years have known should be cut back sharply, but simply haven't dared to because of lack of political courage and leadership:

- Too high a proportion of our resources are being spent on health. The way budgets have been cut is by assuming that each of our over-inflated health systems will gladly acquiesce in cutting their own. We have all been paying the price of the resistance to that approach. But there is broad agreement that what should really be done is cutting down on the vast amount of wasteful duplication that exists between our parallel governmental, Kupat Holim and other institutional health systems. That, and the equally irres-

possible trend to encourage the growth of space-age, heart and liver transplant medicine, at a time when basic medicines are in short supply and existing equipment remains woefully underutilized, are two areas in which major savings could be effected. But no one has had the political guts to persevere in taking on the gargantuan and politically difficult task, of redirecting our medical efforts:

- Budgets for teaching hours are being cut to the bone. But at the same time, a large number of separate underpopulated teachers' seminars are permitted to continue operating. Furthermore, a great deal of money is being spent to uphold the dangerous thesis that schoolchildren being educated along separate secular, mainline Orthodox and a plethora of ultra-Orthodox lines, must be kept physically quarantined one from the other. Is it really essential that schoolchildren in state, state-religious and state-supported Aguda and other ultra-Orthodox schools, study chemistry, physics, mathematics and geography, for example, in separate underpopulated classes and laboratories? And if some parents and religious leaders consider such self-imposed isolation so essential, why shouldn't they be required to pay for the pleasure by themselves?

- Must we go on paying hundreds of millions of dollars to subsidize inter-urban bus travel so that the Egged bus cooperative can go on supporting its members in the style they have become accustomed to since the 1950s? One can possibly make an argument for subsidizing public transport to and from work, within towns, but why should Israel shell out hundreds of millions in subsidies in support of the cheapest inter-urban bus fares in the world, and the highest paid bus drivers?

- Is it really essential that all the kibbutzim and moshavim be bailed out of the morass resulting from their own economic irresponsibility, from the public purse? Or Solei Boneh for that matter? There are settlements in some areas in the country that Israel has an urgent need to bail out, in the Golan, the Jordan Rift Valley, Pithar Shalom and the like. But why shouldn't the kibbutzim and moshavim be required to take care of their own, with assistance, where needed, from the Histadrut's own financial empire? In regard to the millions that are being asked for Kupat Holim, why shouldn't the government demand obtaining formal ownership of Kupat Holim hospitals and clinics, in exchange for those hundreds of millions, in preparation for the adoption of a national health scheme that would eliminate duplication?

- Due to shortage of space let me throw in, together, the hundreds of millions wasted on the special budgets to ultra-Orthodox interests, the over-inflated budgets to the political parties that haven't even been

touched in these budget-cutting days, and the largely wasted Jewish Agency budgets. All of these, for example, could be redirected to the funding of other essential, but dangerously underfunded, educational and social services.

THESE ARE all seemingly naive questions. But they constitute a very short list of essential questions that are familiar to all Treasury heads of the past decade and more. These and many others are the areas in which Israel has vastly overextended herself. These, then, are the areas which must be cut down.

Which brings us to the main problem: the political one. There is not one central political figure in either of our two major parties addressing himself seriously to these basic problems. Prime Minister Shamir doesn't seem to have the vaguest idea about these matters. Labour's Vice-Premier Peres, who made an impressive start in steering the July 1985 battle against hyper-inflation, is finally off playing at the games that foreign ministers in general, and he in particular, love to play, and shies away from the persistence needed to lead his party in the field of economic policy.

Likud Finance Minister Moshe Nissim's main claim to fame is that he does not suffer from his predecessor's psychological instability. He has not shown many impressive qualifications besides that negative one. Besides that instability, Yitzhak Moda'i's main handicap is that he is the non-leader of a non-existent Liberal Party, which hardly puts him in a position to provide the political clout necessary for the sort of economic leadership that could make a difference.

The man who aspires to be the Likud's next prime minister, David Levy, ran away from the offer of the finance ministry, several years ago. Labour's leading economic minister, Gad Ya'acobi, is currently considering running away to the post of ambassador to Washington, for which he is hardly suited. I haven't yet mentioned the Likud's Ariel Sharon in this list, but even my mind boggles.

The central problem confronting our economy is this lack of intelligent, strong and persistent leadership in the politico-economic arena. Without such leadership, preferably in each of the two major parties, we will continue to seek solutions, not where the real problems lie, but where they are ostensibly easy to find. The fact that fewer and fewer of us are prepared to continue in the role of national suckers, however, is placing even such fictitious solutions beyond our reach. There is simply no alternative but for responsible political leaders to identify the real problems and to address themselves to their solution. These are roles and programmes that must be developed before the next national elections, sometime in 1988. There is little chance of anything effective being done even after those elections if the groundwork in the two parties is not prepared beforehand.

The writer is a member of the editorial staff of The Jerusalem Post.

POSTSCRIPTS

P.S. A SWEET-TOOTHED thoroughbred that munched a chocolate bar the day before winning a big race has been disqualified, losing \$15,000 in prize money and saddling his trainer with a fine.

The Jockey Club, governing body of British horseracing, ruled that a Mars bar given to De Regeur, a 4-year-old gelding, contained a stimulant called theobromine that is prohibited under the sport's anti-doping laws.

De Regeur, a 20-to-1 outsider ridden by British champion jockey Pat Eddery, won the Balmoral handicap at Ascot, but a routine urine test after the race turned up traces of theobromine. The substance was traced to the Mars bar.

"All chocolate contains theobromine. It's naturally present in the cocoa bean at very low levels," said Alison Hill, Health affairs manager for Mars Confectionery, the British

subsidiary of the American parent company in New Jersey.

"A human being, to get any significant stimulant effect from theobromine, would have to eat something like 120 100-gram bars of milk chocolate. A horse would have to eat considerably more."

Trainer James Bethell, who was fined £575, said he didn't blame 17-year-old stable girl Tanya Mayne, who admitted feeding the horse the candy bar.

"Normally, I feed my horses oats and bran. But all horses like sweet things so I'm not surprised he ate the Mars bar," Bethell said.

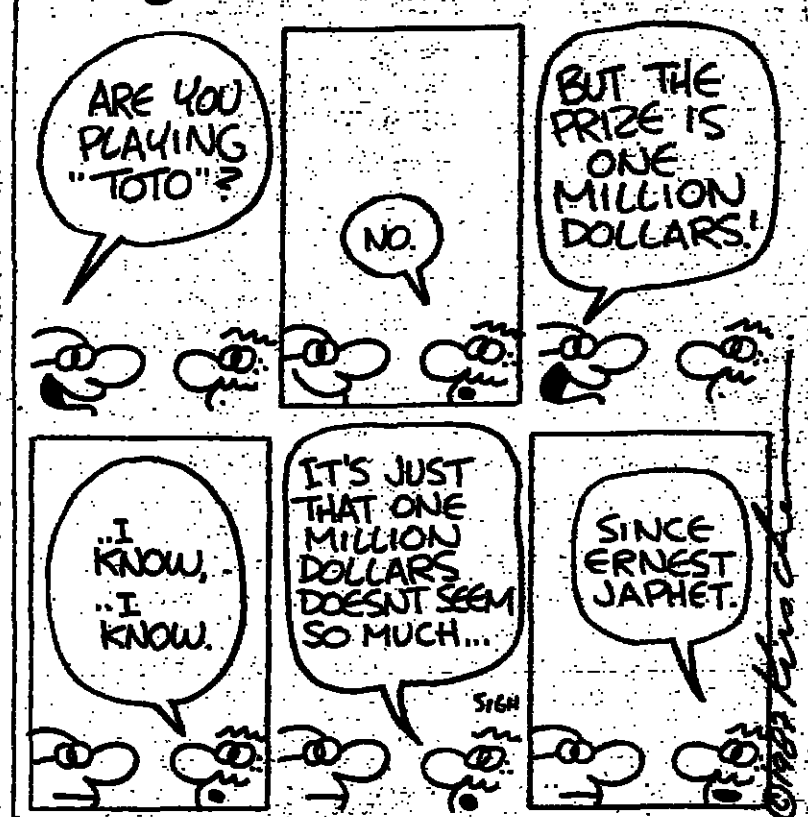
P.S. A STUDY by an Israeli specialist on the Middle East has been included in a collection of papers on the social and economic history of Iran, published recently by the University of Teheran.

The paper, on "The Constitutional Revolution in Iran — 1905-1911",

by Prof. Gad Gilbar of Haifa University, was one of eight in the publication, which appeared in Persian.

The paper was accredited to the author, but the Iranians abstained from mentioning that Gilbar is an Israeli and that the journal where the paper originally appeared is a publication of the Israeli Oriental Society, and published by the Haifa University.

Dry Bones



READERS' LETTERS

FREEDOM OF WORSHIP

To the Editor of The Jerusalem Post

Sir, — Your report of Cardinal O'Connor's visit to the Western Wall's most sacred spot and the Temple Mount (January 5), left me in total disgust. The statement of the Mufti of Jerusalem, Sa'ad al-Din al-Alami, that Christians and Moslems are brothers is nothing less than total deception. My understanding of brotherhood is when two boys have the same father and share the same family ties. Now the Mufti does not really believe that Christians share the same equality with Moslems.

I have made several visits to the Temple Mount. As a Christian I have been told I cannot pray there or read my Bible. One day, I took a yearly publication of the *Readers' Digest* and a *Jerusalem Post* clipping of the Temple Mount with me and

sat on the steps going to the mosque to read them. Within minutes, I had three Moslems threatening to take them away from me. I only saved my book and newspaper clipping when an Israeli soldier came and told them to let me go.

I too would like to see peace on the Temple Mount. But peace does not come when one religion coerces others. Neither does it come when the heads of religion get together and camouflage what they really believe and practise.

The many times that I go to the Western Wall to pray, I am never disturbed. I can pray at any time without being questioned or made to feel that I am an outsider. At this place of prayer I feel peace and brotherhood.

RICHARD L. POTTER
Jerusalem.

A BANK LEUMI PENSION THAT WASN'T

To the Editor of The Jerusalem Post

Sir, — Having worked at Elern's Bank Ltd., Haifa, since August 1960, I was taken on, together with all the staff of the Rehov Haim Branch, Haifa, by Bank Leumi. An accord was reached with the Histadrut that workers' rights would not be diminished. Elern's Bank allowed its staff to work beyond retirement age, if capable, paying pensions from 10 years' tenure and beyond at two per cent per year.

In June 1973, I reached the age of 60 and the manager of the branch who himself reached retirement age at this time asked head office, Tel Aviv, for prolongation of my contract, so as to have a well-known clerk to work with customers, mostly those receiving pensions from Germany. This request was granted.

In June 1974, the new manager of the branch asked head office, Tel Aviv, for further prolongation for me, specifying that the department manager had just retired and that I

worked well with customers, etc. So the date for my retirement was set for December 31, 1974.

When this date approached, the management of the branch as well as the Haifa district office recommended to head office Tel Aviv, a further prolongation for me: all of them knew that in a few more months, I would be entitled to monthly pension payments, which, at Bank Leumi, were due after 15 years' employment only. As I had accumulated 90 days of vacation, there was a gap of about five more months of employment.

Notwithstanding all the recommendations from Haifa, the directors in Tel Aviv would not take a decision on their own but asked Dr. Japhet on his return from abroad on December 29 for his decision. His answer was short and to the point: "no precedents." And so, on December 31, I had to leave, receiving compensation, but no pension.

Kiryat Bialik HANNY R. HAIDAN

SOUTH AFRICAN HABONIM

To the Editor of The Jerusalem Post

Sir, — The year 1981 saw the establishment of Kibbutz Tuval and the arrival of the first aliya group from Habonim South Africa. Every year since then, an additional group has arrived.

With the coming of this year's group of 45 members, a get-together

is being organized for all South African Habonim immigrants of the years 1980-7, *shilim* families from that same period and Habonim groups presently in Israel.

This reunion will take place on Wednesday evening, February 4, at 7, at Kibbutz Tzora.

Tzora. LES OSHRY

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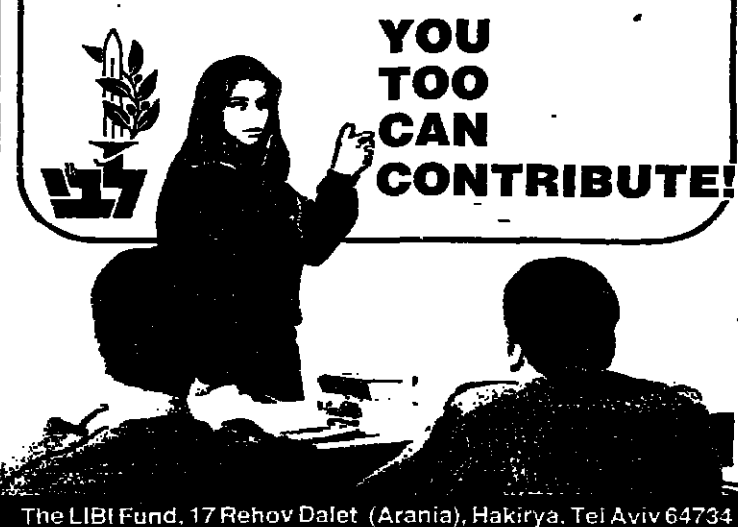
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